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# Daily Report

# East Asia

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# Daily Report
## East Asia

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**NOTICE:** An * indicates material not disseminated in electronic form.

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## Japan

### Okinawa Holds Rally Against U.S. Bases

*OW2110053695 Tokyo KYODO in English 0521 GMT 21 Oct 95*

[FBIS Transcribed Text] Naha, Japan, Oct. 21 KYODO — Some 50,000 residents of Okinawa Prefecture gathered in a park in Ginowan on Saturday [21 October] in a mammoth protest rally, denouncing the recent schoolgirl rape allegedly by three U.S. servicemen and the huge presence of U.S. military forces in the prefecture.

The meeting was organized by an executive committee comprising members of all the blocs in the Okinawa Prefectural Assembly as well as local governments and citizen groups in the prefecture.

In a "protest resolution," the angry Okinawans said they "find this assault absolutely inexcusable and truly outrageous," referring to the early September rape of a 12-year-old Japanese schoolgirl in which three U.S. soldiers have been charged.

The incident has drawn infuriated reactions from local residents and deadlocked the procedure for forced land leasing for U.S. bases in Okinawa.

"Such brutal crimes, which have been repeatedly committed by U.S. military personnel, clearly show a decline of discipline (within the U.S. Forces) and are indicative of the deep-rooted occupation mentality that has lasted to this day," the resolution said.

They expressed anger against both the U.S. Government, which refused to extradite the rape suspects immediately to the Japanese authorities, under the bilateral agreement on the status of U.S. Military personnel stationed in Japan, and against the Japanese Government, which "failed to take determined diplomatic measures and resorted to weak-kneed diplomacy."

Pointing out the fact that 75 percent of all the U.S. military facilities in Japan are located in Okinawa, which accounts for only 0.6 percent of the nation's land area, the protesters called attention to the Okinawan people's "pain and hardships."

They demanded enforcement of military discipline by the United States, an immediate apology and compensation to the victim, immediate changes to the Japan-U.S. Status of Forces Agreement, and reductions and streamlining of U.S. bases in Okinawa.

The meeting was also attended by delegations from the three parties of the ruling coalition — the Liberal Democratic Party (LDP), the Social Democratic Party (SDP) and new party Sakigake [Harbinger]. The SDP sent Secretary General Wataru Kubo to the rally — one of the largest gatherings in Okinawa since it was returned to Japan in 1972 — to show its support and compassion for the Okinawa people.

The rape incident has inflamed the deep-rooted rancor among many people in Okinawa against the U.S. military bases on their land.

It has cast a renewed spotlight on the "inequality" of the status agreement and inspired Okinawa Gov. Masahide Ota to refuse cooperation with the central government in the forced rental of land to U.S. forces.

The government of Prime Minister Tomiichi Murayama has assigned a special bilateral committee the task of reviewing the status agreement and plans to send Defense Agency Director General Seishiro Eto to Okinawa to break the impasse on the land issue.

Murayama said he was closely following the protest rally, calling it a concentrated outlet for the feelings of Okinawa residents.

Murayama's plan to send the defense chief to Okinawa to solve the land issue, however, sustained a heavy blow Thursday with the resignation of the head of the Defense Facilities Administration Agency, Noboru Hoshuyama, who had criticized Murayama's handling of the Okinawa problems.

The government now hopes that Gov. Ota's recalcitrance will be loosened through negotiations, and that conditions will be appropriate before long for Eto's visit to Okinawa.

At the Saturday protest, a federation of landowners in Okinawa who lease their land tracts to the U.S. forces were conspicuously absent.

The 28,000-member group was almost the only organization in the prefecture that formally decided against attending the rally.

"We share the anger against the rape incident, but we have decided that it would be better to pass up the meeting because it was certain that calls for removal of the U.S. bases and scrapping of the U.S.-Japan security treaty would be made in the meeting," an official of the federation said.

Naoyoshi Sunagawa of the federation said it cannot support movements for the removal of U.S. bases from Okinawa since the member landowners depend on the rents from land used by the U.S. forces for their livings.

Meanwhile, the Japan Federation of Bar Associations issued a statement, calling on the government to redress the "inequity" of the Status of Forces Agreement as shown by the U.S. refusal to extradite the rape suspects.

"A person who commits a crime in Japan should be handled equally under the Japanese law regardless of the person's nationality," the statement said.

The three U.S. servicemen were handed to the Japanese authorities only after Japanese prosecutors indicted them.

In Tokyo as well, several rallies in support of Okinawans were held by political organizations and citizen groups.

At Meiji Park in Shinjuku, about 12,000 people, mostly members of labor unions supporting the Japanese Communist Party and peace activists, gathered to protest against the U.S. Forces.

Mitsuru Mikami, chairman of the National Confederation of Trade Unions, said in a speech the status agreement infringes on Japanese sovereignty since it includes the privileges of the U.S. during its occupation of Japan.

The participants passed a resolution calling for the scrapping of the bilateral security treaty and the status accord.

Another group of Okinawa natives living in the Tokyo area and other citizens marched along streets in the posh Ginza shopping district, carrying placards with the message "we don't need U.S. bases."

### Governor Ota Speaks

*OW2110092795 Naha NHK Television in Japanese 0512 GMT 21 Oct 95*

//(Speech by Okinawan Governor Masahide Ota at a rally to protest the rape of a schoolgirl by U.S. servicemen and the presence of U.S. military forces in Okinawa held at Ginowan Seaside Park — live)

[FBIS Translated Text] I have just come back from China. I was visiting there for friendship relations.

It is heartening to hold this rally with the attendance of so many prefectural citizens and people from other prefectures.

First, I would like to express my heartfelt apology for failing to protect the dignity of a little girl as a human being, that is the most important thing. I am deeply sorry.

Five years ago when I became a governor, I had to face the issue of public notification procedures on extending the forced use of land for military purposes. My election pledge was to make Okinawa peaceful by getting rid of the military bases. At that time, however, I sacrificed my personal political belief and cooperated with the central government by attaching an importance to overall benefit for the prefectural people. At that time, the top government official made a public pledge, saying that the government would sincerely cooperate with the prefectural government of Okinawa because the governor cooperated sincerely with the central government. Unfortunately, the central government has not kept that promise.

Thus far, I have visited the United States four times and have told top government officials and members of Congress in Washington that historically, Okinawa is a place where peace-loving people live and it is not desirable to have military bases there.

Moreover, I have asserted that the Okinawan people have been forced to cooperate in carrying out base policies for the past 50 years, and that because this year marks the 50th anniversary of the war's end, I would like to change Okinawa's policy. With this viewpoint, we Okinawans have constructed the cornerstone of peace to pray for the souls of all war victims, have disposed of duds, and have collected the remains of war victims. Also, we have planted one million trees with the wish of making Okinawa a place where young people can see hope and a lot of human warmth. We have told both the U.S. and Japanese Governments that we hope to make this year a turning point and have asked them to understand this and show consideration for Okinawan people.

I have asserted that we have cooperated with the United States in expropriating land for U.S. military bases. And, I have clearly said that because the Okinawan people have cooperated with them, it is the U.S. and Japanese Governments' turn to cooperate with us, or we will not cooperate in the same way we did before. This time, I have refused to undertake the proxy signing based on the Okinawan people's intentions. [applause]

As an administrative body, we have to deal with civil administration issues such as the development of industries, promotion of education, improvement of the employment situation, promotion of cultural projects, and care for elderly people. We would like to devote ourselves to tackling these fundamental tasks. However, the reality is that because our plans are always thwarted by having too many military bases here, we cannot implement them.

I intend to make efforts to meet your expectations and make Okinawa a place where young people can dream and hope by the 21st century. So, please continue your support for me. Thank you very much. [applause]

### Kubo Meets Vice Governor Yoshimoto

*OW2110132995 Naha NHK Television in Japanese 1157 GMT 21 Oct 95*

[Announcer-read report; from "NHK News" program]

[FBIS Translated Text] Wataru Kubo, secretary general of the Social Democratic Party of Japan [SDPJ], attended the prefectural people's rally held today. After the rally, he met with Prefectural Vice Governor Masanori Yoshimoto to talk about the issue involving Governor Masayoshi Ota, who is refusing to sign a lease for forceful use of private land by U.S. military.

After attending the prefectural people's protest rally held in Ginowan City this afternoon as an SDPJ representative, Kubo returned to Naha and held a meeting with Yoshimoto from 6:00 PM [0900 GMT] until few minutes ago. Kubo asked for the meeting to find out a solution for the case, in which Governor Ota is refusing to sign a lease for continuing use of private lands for military purpose.

At its Central Executive Committee session on 19 October, the SDPJ approved party policies, saying, among other things, that the Japanese and U.S. Governments should study the possibility of reorganization and reduction of U.S. military bases and that the Japanese Government should review the overall Japan-U.S. Status of Forces Agreement.

It seems that Kubo, at today's meeting, explained these SDPJ policies and asked for Yoshimoto's understanding.

### Resolution Adopted

*OW2110074995 Tokyo KYODO in English 0719 GMT 21 Oct 95*

[FBIS Transcribed Text] Naha, Japan, Oct. 21 KYODO — The following is the full text of a resolution adopted at a protest rally in Ginowan, Okinawa Prefecture, on Saturday [21 October].

**Protest Resolution**

Today, we assemble here to express our indignation over the violent assault on a young girl committed by American servicemen Sept. 4, 1995. We are here to share our grief for the victim and others affected by this tragedy and to express our strong resentment toward those responsible for this incident.

As human beings, we find this assault absolutely inexcusable and truly outrageous. Such brutal crimes, which have been repeatedly committed by U.S. military personnel, clearly show a decline of discipline, and are indicative of the deep-rooted occupation mentality that has lasted to this day. Moreover, it shows that there is a complete lack of respect for the Okinawan people's dignity and human rights. One million two hundred fifty thousand Okinawan citizens have transcended their political views and ideologies, and all unite in strong protest against this incident. We voice our downright anger against the American authorities who, despite the incident's brutality, refused to extradite the suspects to the Okinawan police department and instead chose to take refuge in the U.S.-Japan Status of Forces Agreement. We also express our wrath toward the Japanese Government, which as an independent nation whose sovereign rights were clearly being infringed upon, failed to take determined diplomatic measures and resorted to weak-kneed diplomacy.

We are outraged and distrustful of the Japanese Government's position after the occurrence of the incident. In other words, this episode inadvertently but clearly revealed the government's lack of recognition of Okinawa.

The national government approves of the current situation in which 75 percent of all American military installations in Japan are forced on Okinawa, which comprises only 0.6 percent of Japan's total land area. This demonstrates the fact that they are indeed insensitive to the Okinawan people's pain and hardships.

In this 50th year of the end of Word War II, we, the participants in this rally, watch closely for the initiation of thorough and fundamental measures by the Japanese Government to alleviate the current situation in Okinawa. We consider this a test for Japanese postwar politics and democracy.

Therefore, under the name of all attending the rally and of the 1,250,000 citizens of Okinawa, we hereby protest against the assault committed by American servicemen, and demand the immediate resolution of the following items:

1. Enforcement of military discipline and eradication of crimes committed by U.S. military personnel.

2. Immediate apology and complete compensation to the victim.

3. Immediate revision of the U.S.-Japan Status of Forces Agreement.

4. Promotion of the reduction and realignment of U.S. military bases in Okinawa.

October 21, 1995.

Okinawan People's Rally
Denunciation of the assault committed by the American servicemen

Demanding the revision of the U.S.-Japan Status of Forces Agreement

### 85,000 Participants Protest

*OW2110073795 Tokyo KYODO in English 0705 GMT 21 Oct 95*

[FBIS Transcribed Text] Naha, Japan, Oct. 21 KYODO — As many as 85,000 people participated in a protest rally at a park in Okinawa Prefecture on Saturday [21 October], denouncing the recent rape of a schoolgirl allegedly by three U.S. servicemen and the huge presence of U.S. military forces in the prefecture.

The rally in Ginowan, just northeast of Naha, was organized by an executive committee comprising members of all the blocs in the Okinawa Prefectural Assembly as well as local governments and citizen groups in the prefecture.

In a "protest resolution," the angry Okinawans said they "find this assault absolutely inexcusable and truly outrageous," referring to the early September rape of a 12-year-old Japanese schoolgirl in which three U.S. soldiers have been charged. The incident has drawn infuriated reactions from local residents and deadlocked the procedure for forced land leasing for U.S. bases in Okinawa.

"Such brutal crimes, which have been repeatedly committed by U.S. military personnel, clearly show a decline of discipline (within the U.S. forces) and are indicative of the deep-rooted occupation mentality that has lasted to this day," the resolution said.

They expressed anger against both the U.S. Government, which refused to extradite the rape suspects immediately to the Japanese authorities, under the bilateral agreement on the status of U.S. military personnel stationed in Japan, and against the Japanese Government, which "failed to take determined diplomatic measures and resorted to weak-kneed diplomacy."

Pointing out the fact that 75 percent of all the U.S. military facilities in Japan are located in Okinawa, which accounts for only 0.6 percent of the nation's land area, the protesters called attention to the Okinawan people's "pain and hardships."

They demanded enforcement of military discipline by the United States, an immediate apology and compensation to the victim, immediate changes to the U.S.-Japan Status of Forces Agreement, and reductions and streamlining of U.S. bases in Okinawa.

The meeting was also attended by delegations from the three parties of the ruling coalition — the Liberal Democratic Party (LDP), the Social Democratic Party (SDP) and new party Sakigake. The SDP sent Secretary General Wataru Kubo to the rally — the largest gathering in Okinawa since it was returned to Japan in 1972 — to show its support and compassion for the Okinawa people.

The rape incident has inflamed the deep-rooted rancor among many people in Okinawa against the U.S. military bases on their land. It has cast a renewed spotlight on the "inequality" of the status agreement and inspired Okinawa Gov. Masahide Ota to refuse cooperation with the central government in the forced rental of land to U.S. forces.

The government of Prime Minister Tomiichi Murayama has assigned a special bilateral committee the task of reviewing the status agreement and plans to send Defense Agency Director General Seishiro Eto to Okinawa to break the impasse on the land issue.

Murayama said he was closely following the protest rally, calling it a concentrated outlet for the feelings of Okinawa residents.

Murayama's plan to send the defense chief to Okinawa to solve the land issue, however, sustained a heavy blow Thursday with the resignation of the head of the Defense Facilities Administration Agency, Noboru Hoshuyama, who had criticized Murayama's handling of the Okinawa problems.

The government now hopes that Gov. Ota's recalcitrance will be loosened through negotiations, and that conditions will be appropriate before long for Eto's visit to Okinawa.

At the Saturday protest, a federation of landowners in Okinawa who lease their land tracts to the U.S. Forces were conspicuously absent. The 28,000-member group was almost the only organization in the prefecture that formally decided against attending the rally.

"We share the anger against the rape incident, but we have decided that it would be better to pass up the meeting because it was certain that calls for removal of the U.S. bases and scrapping of the U.S.-Japan Security Treaty would be made in the meeting," an official of the federation said.

Naoyoshi Sunagawa of the federation said it cannot support movements for the removal of U.S. bases from Okinawa since the member landowners depend on the rents from land used by the U.S. Forces for their livings.

Meanwhile, the Japan Federation of Bar Associations issued a statement, calling on the government to redress the "inequity" of the Status of Forces Agreement as shown by the U.S. refusal to extradite the rape suspects.

"A person who commits a crime in Japan should be handled equally under the Japanese law regardless of the person's nationality," the statement said.

The three U.S. servicemen were handed to the Japanese authorities only after Japanese prosecutors indicted them.

### 'No Plans' To Sign Bases Lease Before Summit

*OW2110145295 Tokyo NHK General Television Network in Japanese 1408 GMT 21 Oct 95*

[Announcer-read report; from "NHK News" program]

[FBIS Translated Text] Vice Governor Masanori Yoshimoto of Okinawa prefecture met tonight with Wataru Kubo, secretary general of the Social Democratic Party of Japan [SDPJ], who attended the prefectural people's rally. At the meeting, Yoshimoto explained that there are no plans to sign a lease needed for forced use of land by the U.S. military before the Japan-U.S. summit meeting slated to be held in November. At the same time, Yoshimoto asked Kubo to bring about as quickly as possible a meeting between Governor Ota and Prime Minister Murayama.

After the meeting, Yoshimoto commented on Governor Ota's refusal to sign a lease needed for forced use of land by the U.S. military and said the following: [begin Yoshimoto recording] It is a matter of course to reorganize and reduce the military bases. This is quite a different matter from the issue of offering new military bases. It is contrary to the prefectural people's wish to treat them together. It is unthinkable. From the beginning, I have been clearly telling the director general of the Defense Facilities Administration Agency that it was not a conditional struggle. [end Yoshimoto recording]

Thus, Vice Governor Yoshimoto said that Okinawa prefecture will not sign the lease before next month's Japan-U.S. summit talks. At the meeting, Yoshimoto also asked Kubo to give Governor Ota a chance to go to Tokyo to meet with Prime Minister Murayama as soon as possible. Kubo promised that he would try to bring about such a meeting.

### Shizuoka Rally Against U.S. Bases Reported

*OW2210114295 Tokyo KYODO in English 1111 GMT 22 Oct 95*

[FBIS Transcribed Text] Shizuoka, Japan, Oct. 22 KYODO — Some 300 people attended a protest rally in Gotemba, Shizuoka Prefecture, on Sunday [22 October], denouncing the alleged rape of a schoolgirl by three U.S. Servicemen and demanding the return of land used by the U.S. Marines in the city.

The rally, organized by members of the Shizuoka Prefectural Peace Committee and an antinuclear group, adopted a resolution calling for an end to U.S. military drills throughout Japan.

The participants then held a March near facilities of the U.S. Marines located at the foot of Mt. Fuji.

They tried to deliver to the commander a letter demanding the withdrawal of the facilities but instead read its contents in front of the gate when no American officials appeared.

They said they will send the letter by mail later.

In Osaka, several hundred people, including Okinawa natives, assembled in Chuo Ward to protest the rape and to support Okinawans' fight against the U.S. military presence.

The protesters adopted an appeal expressing their support for Okinawa Gov. Masahide Ota's refusal to force landowners to lease their land for the U.S. military and calling on Prime Minister Tomiichi Murayama and U.S. President Bill Clinton to drop the bilateral security treaty.

### Governor Ota Interviewed on Rally, Base Issues

*OW2310151395 Naha OKINAWA TIMES in Japanese 22 Oct 95 Morning Edition p 3*

[Interview with Okinawa Governor Masahide Ota aboard a chartered vessel on his way from Naha to the protest rally held in Ginowan city on the afternoon of 21 October; interviewer's name not given]

[FBIS Translated Text] Governor Masahide Ota granted an interview to OKINAWA TIMES on a chartered vessel on his way from Naha to attend the Prefectural Residents' Protest Rally held on the afternoon of 21 October. Touching on the prefectural residents' rally held today — the largest ever in Okinawa's post-war history — Governor Ota stated: "The rally indicates unity among prefectural residents with their sincerest wishes for settling base-related issues." Concerning his refusal to sign documents needed for the enforced land lease of military bases by proxy, Ota said: "I would like to deal with the issue by taking into consideration prefectural residents's wishes in all seriousness." In this way, Governor Ota stressed that in the current circumstances, in which no indication has been made of taking measures to settle the issue as prefectural residents wished, he has no intention of changing his position of refusing to sign the needed documents.

A summary of questions and answers of the interview follows:

[OKINAWA TIMES] What do you think of the prefectural residents' protest rally, the largest ever in post-war history?

[Governor Ota] It is my strong feeling that the Okinawan people have reached the limit of their discontent with the heavy pressure connected with military bases that have been imposed on them in the half century of the post-war era. In the past, I visited the United States four times to make a direct petition, and every time I said repeatedly to the U.S. Government that "if the people's discontent should burst forth, it would be beyond my control as chief of the administration." However, both the Japanese and U.S. Governments have failed to pay any attention to our wishes. As a result of the governments' failure to take the local people's wishes into serious consideration, the people's discontent has burst forth in one breath. I feel the heavy pressure that has been endured for half a century now.

[OKINAWA TIMES] Is the prefectural residents' wish the reason you have refused to sign the documents by proxy?

[Governor Ota] As administrative chief, I have done whatever is within my authority to bring about changes this year, the 50th anniversary of the end to the last war. For example, we have established a peace monument. What the prefectural residents have been asking for is a peaceful Okinawa where no military bases exist. The government has refused to have any concerns over such an earnest wish cherished by the local people, neither to make any efforts to settle our problems. The government has been handling these issues simply thinking that at any rate, there is nothing that Okinawa can do. Therefore, I decided in that case we will do what we can do (such as rejecting to sign documents by proxy).

[OKINAWA TIMES] I understand that the government has offered proposals for realigning and reducing military bases on several occasions. What is your view concerning this report?

[Governor Ota] As I have already repeated several times, my refusal to sign documents by proxy is not a conditional struggle. I have taken into consideration the local people's wishes to live in Okinawa where no military bases exist, and I have merely done what I am supposed to do as the governor. However, the problem has now turned into an issue that cannot be settled merely by judgment made at the administrative level. The point at issue is what the prefectural residents have in mind and what wishes they have. In the future, I will continue to take prefectural residents' words and deeds into serious consideration.

[OKINAWA TIMES] Ruling parties, the Liberal Democratic Party, the Social Democratic Party of Japan and Sakigake [Harbinger], have sent missions to Okinawa to attend the protest rally. What do you think of this?

[Governor Ota] Unless one lives in the neighborhood of a military base, one will never be able to understand the distress caused by military bases. In this connection, even if one says one can sense such distress, one can never truly feel it. I hope they will be able to get the real feeling of distress, discontent, and indignation of the residents in our prefecture.

[OKINAWA TIMES] With the conclusion of the rally, the government can be expected to start full-fledged efforts to persuade the governor to prepare for the upcoming Japan-U.S. summit talks scheduled for next month. How do you plan to handle this issue?

[Governor Ota] I cannot make any comments on such a question at this time.

### Perry's Remarks on Okinawa Base Issue 'Welcomed'

*OW2310042695 Tokyo KYODO in English 0415 GMT 23 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 23 KYODO — Japan on Monday [23 October] welcomed U.S. Defense Secretary William Perry's remarks that the United States will consider any Japanese Government proposals in regard to the scaling down of U.S. military bases in Okinawa Prefecture.

"We understand that the U.S. is fully aware of the situation in Okinawa and takes it seriously," Chief Cabinet Secretary Koken Nosaka told a news conference.

"We therefore welcome the remarks," the top government spokesman said in connection with Okinawans' growing calls for a cutback in U.S. Forces in the southwestern Japanese island.

Perry, commenting on the possibility of scaling down the U.S. presence in Okinawa, said in a television program Sunday that Washington "will consider any proposals that the Japanese Government makes in terms of adjusting the forces there" but that Tokyo has not made such a proposal yet.

Nosaka said Tokyo will offer some proposals for a possible reduction of the U.S. military presence in Okinawa when Perry comes to Japan next week to lay the groundwork for U.S. President Bill Clinton's planned trip to Japan next month.

The rape of a 12-year-old schoolgirl in Okinawa on Sept. 4, for which three U.S. servicemen have been indicted, angered residents in the prefecture, where 75 percent of all the U.S. military facilities in Japan are located.

Okinawa Gov. Masahide Ota has refused to cooperate with the government in forcing unwilling Okinawan property owners to rent land to the U.S. military.

On Sunday, as many as 85,000 people rallied to protest the rape and the presence of the U.S. Forces, organizers said.

"We will keep Okinawan demands in mind when proposing what to do (concerning the U.S. military presence)," Nosaka said of Japanese officials' upcoming talks with Perry.

Perry also indicated on the television program that he might visit Okinawa during his trip to Japan next week.

Meanwhile, a Foreign Ministry official said it is not yet clear whether Perry offered to discuss further reductions of the U.S. bases. The two countries have already agreed to 23 separate proposals to consolidate the military facilities on the island.

The official also said a specific date for Perry's visit to Okinawa has not been set.

In Okinawa, Ota refused to soften his stance on the base issue.

At a press conference, the governor criticized the Japanese Government for what he described as its half-hearted handling of the problems facing Okinawa residents.

Ota said he has often heard U.S. officials and legislators say the Japanese Government does not seek cutbacks in U.S. bases in Okinawa.

As for Prime Minister Tomiichi Murayama's overture for a meeting with him to break the impasse, Ota said he is ready to meet Murayama, but he will not discuss his refusal to cooperate with the central government in forced leasing of land in Okinawa for use by U.S. Forces.

### Murayama Wants To Settle Base Issue by 20 Nov

*OW2210040395 Tokyo KYODO in English 0353 GMT 22 Oct 95*

[FBIS Transcribed Text] New York, Oct. 21 KYODO — Japanese Prime Minister Tomiichi Murayama said Saturday [21 October] that he wants to resolve the issue involving U.S. bases on the island of Okinawa before he meets with U.S. President Bill Clinton on Nov. 20 in Tokyo.

"I hope (the settlement) will be in sight before the Japan-U.S. summit," Murayama told reporters. Murayama is here to attend a special session of the UN General Assembly to commemorate the 50th anniversary of the world body.

Murayama said he is ready to meet Okinawa Gov. Masahide Ota over his refusal to sign documents needed to force unwilling local landowners to rent land to the U.S. military.

"We should make every effort necessary (to settle the issue)," Murayama said.

Ota's refusal comes at a time of widespread anger in Okinawa over the rape of a local elementary schoolgirl in early September, for which three U.S. servicemen have been indicted.

The prime minister also said he will hold a meeting with leaders of the two other coalition partners — International Trade and Industry Minister Ryutaro Hashimoto, who is president of the Liberal Democratic Party and Finance Minister Masayoshi Takemura, leader of New Party Sakigake, to seek a breakthrough after he returns home Monday.

Defense Agency chief Seishiro Eto has postponed a scheduled visit to Okinawa, in which he would have sought Ota's cooperation on the issue. His decision came after the head of the Defense Facilities Administration Agency resigned in the face of pressure over his remarks criticizing Murayama's handling of the issue.

There are nearly 30,000 U.S. troops on the island in southern Japan, where about 75 percent of the U.S. military facilities in Japan are located.

### Kono on Tokyo's Compensation for Rape Victim

*OW2310053895 Tokyo ASAHI SHIMBUN in Japanese 21 Oct 95 Morning Edition p 2*

[FBIS Translated Text] Foreign Minister Yohei Kono attended the Lower House Committee on Foreign Affairs on 20 October. With regard to the issue of compensation for the victim of the rape by U.S. servicemen on Okinawa, Kono stated: "Basically, it is appropriate to call on the U.S Government to take sincere measures, following the rules stated in the Japan-U.S. Status of Forces Agreement [SOFA]. However, it will be necessary to consider providing compensation to the victim if this does not work due to procedural problems." In response to a question by Kaneshige Wakamatsu (New Frontier Party), he indicated the Japanese Government's possible involvement in the compensation issue in case the U.S. measures to compensate the victim of the crime committed by U.S. servicemen in Japan are not sufficient.

The principle is that an offender pays compensation to the victim of a crime. However, SOFA procedures provide that the U.S. Government pays compensations based on the amount assessed by the Defense Facilities Administration Agency in case the offender is incapable of paying.

### Hosokawa Criticizes Handling of Okinawa Bases Issue

*OW2210094795 Tokyo KYODO in English*
*0930 GMT 22 Oct 95*

[FBIS Transcribed Text] Saga, Japan, Oct. 22 KYODO — Former Prime Minister Morihiro Hosokawa on Sunday [22 October] accused the coalition government of dealing ineffectively with Okinawa Prefecture's refusal to force landowners to lease their plots for U.S. bases there.

"The government has not clearly demonstrated its position and has not done anything," Hosokawa, currently with the largest opposition Shinshinto (New Frontier Party), said in a speech in Saga in southwestern Japan.

He also took a swipe at Prime Minister Tomiichi Murayama for having been publicly ridiculed by a bureaucrat, alluding to Noboru Hoshuyama, the head of the Defense Facilities Administration Agency who resigned for allegedly calling the premier stupid.

Hosokawa also expressed concern about Japan's leadership role at the November talks in Osaka of the Asia-Pacific Economic Cooperation forum.

Hosokawa became prime minister in August 1993 but quit in April 1994 amid a financial scandal.

### U.S.: 'Positive' About Status Accord Proposal

*OW2110000495 Tokyo KYODO in English*
*2352 GMT 20 Oct 95*

[FBIS Transcribed Text] Washington, Oct. 20 KYODO — The United States has agreed in principle to Japan's proposal of allowing under a new written document an early turning over of U.S. military personnel suspected of committing crimes in Japan, a U.S. administration official said Friday [20 October].

The U.S. side is "positive" about the Japanese proposal, the official told KYODO NEWS SERVICE on condition of anonymity.

Also indicating U.S. readiness to agree on the stickiest issue of exchanging a document in allowing the proposed early Japanese custody, the official said it has to be in writing if there is to be agreement.

But discussions within the U.S. Government are still under way over the agreement's wording, the official said in explaining the delay of the two nations in reaching an accord.

The official said the U.S. side intends to resolve the issue before Secretary of Defense William Perry visits Japan on Oct. 31.

During an ongoing meeting of a joint study group, Japan proposed exchanging a written document to allow the early handing over of suspects under the bilateral Status of Forces Agreement.

But the two parties failed to resolve the issue in the third round of talks last week.

The joint group was established to improve the implementation of criminal jurisdiction procedures under the status accord in a bid to quell growing demands for its revision following the rape in early September of a 12-year-old schoolgirl in Okinawa, for which three U.S. servicemen have been indicted.

The two nations have already agreed not to revise the accord itself, and the Japanese proposal came as a technical method to that end.

Meanwhile, the official declined to comment on recent remarks by Japanese Prime Minister Tomiichi Murayama calling for further consolidation of military facilities in Okinawa.

Tokyo has not yet conveyed that policy to Washington, the official said.

### Eto, Nosaka Comment on Resignation of Hoshuyama

*OW2010112895 Tokyo NHK General Television Network in Japanese 0300 GMT 20 Oct 95*

[Announcer-read report; from "NHK News" program]

[FBIS Translated Text] At a ministerial meeting after today's cabinet, Defense Agency [DA] Director General Seishiro Eto commented on the resignation of Noboru Hoshuyama, head of the Defense Facilities Administration Agency [DFAA], who resigned over the issue of U.S. military bases on Okinawa. Eto apologized once again to the government and people of Okinawa.

DA Director General Eto said that he would like to apologize to the government and Okinawan people for inconveniences caused by Hoshuyama's careless remarks. At the same time, he stressed that he would continue to do his best for a settlement of the issue.

Moreover, DA Director General Eto, at a news conference held after the cabinet meeting, commented on the reorganization and consolidation of the U.S. military bases on Okinawa and saying: [begin Eto recording] We will closely look into the 23 proposals [for reduction of military facilities] and the 3 proposals [for the return of facilities] one by one. After that, we will show ...shall I say a firm program, a process or program for their return. [end recording]

Meanwhile, Koichi Kato, Secretary General of the Liberal Democratic Party, commented on DA Director General Eto's visit to Okinawa slated for 24 October and said: It is doubtful if a trip at this time will settle the situation. Since Director General Hoshuyama resigned, it is better to spend the time reorganizing the structure. We are also scheduled to have intense deliberations at the Budget Committee.

In this way, Kato explained his view that a visit at this time is not desirable.

Moreover, Chief Cabinet Secretary Koken Nosaka, at a news conference, said as follows: [begin Nosaka recording] Speaking from the viewpoint of Okinawan people's feelings, I think some people may be worried that a visit by an official of the ministry, which has jurisdiction over the issue, will go against their feelings. Inevitably, he will not be able to visit Okinawa if intense deliberations start on 24 October. Therefore, I think we have to make contact with Okinawa. [end Nosaka recording]

### Foreign Ministry Favors Revision of SOFA

*OW2310004495 Tokyo TOKYO SHIMBUN in Japanese 21 Oct 95 Morning Edition p 1*

[FBIS Translated Text] The issue of revising the Japan-U.S. Status-of-Forces Agreement [SOFA] has surfaced following the recent rape of a schoolgirl by U.S. servicemen stationed in Okinawa. Although the Ministry of Foreign Affairs [MOFA] said it would deal with the issue "by improving the implementation of the agreement, not by considering its revision," it has changed this policy. It plans to discuss this issue with the United States while considering the revision of SOFA itself. This was disclosed by several MOFA sources on 19 October. For the time being, the ministry will promote negotiations with Washington on ways to improve the implementation of SOFA. And if it comes to the conclusion that it is necessary to revise SOFA itself, it will propose the start of negotiations on the revision of the pact.

When the SOFA issue cropped up following the rape incident, the MOFA said: "We will deal with the problem by reviewing the implementation of the agreement, not by considering the revision of SOFA itself." Washington echoed the ministry.

Japan and the United States recently set up an experts' group under the joint committee and these experts are currently discussing ways to improve the application of criminal jurisdiction procedures for crimes committed by U.S. servicemen.

Their negotiations are based on the thinking that the revision of SOFA might develop into the issue of reviewing Japan-U.S. security arrangements and give an impetus to a call within the United States for abolishing the Japan-U.S. security pact.

Explaining the background of the MOFA's policy change, a ministry source said the MOFA took into account Prime Minister Tomiichi Murayama's remarks in Diet interpellations that "I would like to find out points of agreement, including the revision of SOFA itself." He also said the MOFA thought "it is not wise to deny the revision of the pact from the start."

Meanwhile, it is not certain when the issue of Okinawa Governor Masahide Ota's refusal to sign documents renewing leases for land used by U.S. forces will be solved. This has given the MOFA a sense of crisis and appears to have affected the ministry's policy.

In the negotiations on the implementation of SOFA, the United States has shown reluctance to comply with Japan's request for U.S. handing over criminal suspects to Japanese authorities before they are indicted. Thus, there is a strong possibility that Washington will show stronger opposition to revising SOFA itself.

A MOFA source said: "Even if the United States agrees to discuss the revision of the pact, it will take considerable time to reach a conclusion."

### Okinawa Reacts to Hoshuyama's U.S. Bases Remark

*OW2010074595 Tokyo NIHON KEIZAI SHIMBUN in Japanese 20 Oct 95 Morning Edition p 3*

[FBIS Translated Text] Okinawa has not taken any action [about Defense Facilities Administration Agency chief Noboru Hoshuyama's remark on the handling of U.S. bases land lease issue] because Governor Masahide Ota is in China attending the "Second Okinawa-Fujian Summit." With the Okinawan people's mass rally approaching on 21 October, the prefectural government is closely watching the national government's response.

Tatsuo Matayoshi, director of the governor's executive office, reiterated that "the governor's position remains unchanged." He stressed that the prefectural government adheres to its refusal to undertake proxy signing of land documents for the forced use of uncontracted land for U.S. military bases.

Mayor Kosei Oyadomari of Naha City issued his comments on Hoshuyama's remark: "The national government, as always, is bent on imposing the military bases on Okinawa. [The remark] served to show that it is not working seriously for reorganization and consolidation of the bases."

An "Okinawan people's mass rally" is scheduled to be held on 21 October to protest the rape of a schoolgirl by U.S. servicemen. Yoshikazu Tamaki, member of the Prefectural Assembly and head of the secretariat of the organizing committee of the rally, said: "Mr. Hoshuyama is correct in his view that 'the refusal to sign land documents is not a simple problem; the prime minister should sign the documents himself.' I think the problem is that serious." He also said, "I cannot comment on the other portions [of Hoshuyama's remark]." He is closely watching the Tokyo Government's next step.

Many in the business sector expressed the view, "It is regrettable that something like this should happen when the Okinawan people's mass rally is about to be held. From what he said, we feel that (Mr. Hoshuyama) is ignorant about what is happening in Okinawa and about what the national government is doing."

### New DFAA Chief on Settling Okinawa Base Issue

*OW2210104695 Tokyo NIHON KEIZAI SHIMBUN in Japanese 21 Oct 95 Morning Edition p 2*

[FBIS Translated Text] Masuo Morodomi, the new director general of the Defense Facilities Administration Agency [DFAA], held an inaugural press conference in the DFAA building on 20 October. Regarding measures to be taken on Okinawa Prefectural Governor Ota's refusal to take part in proxy signing for forced use of land for U.S. military bases, Morodomi stated: "The base issues should be settled through talks. What is most important is that we should show our sincerity, so that the Okinawan people will listen to our views." In this way, he described a plan for consultations with the Okinawa Prefectural Government, following the Murayama administration's line of settling the issue through talks. As for visiting Okinawa himself, Morodomi said, "I would like to visit there as soon as possible."

### Editorial Blasts Hoshuyama on Base Issue Remark

*OW2010085195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 20 Oct 95 Morning Edition p2*

[Editorial: "Hoshuyama's Remark is Absolutely Outrageous"]

[FBIS Translated Text] On the issue of U.S. bases on Okinawa, Noboru Hoshuyama, director general of the Defense Facilities Administration Agency criticized Prime Minister Tomiichi Murayama for being "stupid."

He made this remark at a sensitive time, when the base issue is casting a dark shadow on the Japan-U.S. security setup. It was absolutely outrageous. Hoshuyama well deserves to resign. In the aftermath of this incident, the Murayama administration indeed needs literally to stake the "fate of the cabinet" on a solution to this problem.

The remark in question came out during an informal meeting with reporters early in the evening on 18 October. Although Hoshuyama argued at a news conference on the morning of 19 October that he "did not make a remark to that effect," the fact is that after making the remark, he asked reporters not to publish it. There is no disputing that he made the remark.

Hoshuyama's remark is extremely inappropriate for three reasons:

First, it basically demonstrates the arrogance of bureaucrats. Japanese democracy, based on the Constitution, consists of a system where Diet members elected by the people choose the prime minister. The prime minister has the final say in decision making, and he takes the ultimate administrative responsibility. Bureaucrats are public servants, and their real job is to assist the prime minister.

Although Hoshuyama's remark was not an official statement, he lacked the proper awareness [of a public servant]. Even though Hoshuyama is not a military officer, such an attitude of a defense bureaucrat is also questionable in regard to civilian control, or control of political authorities over the Self-Defense Forces.

Second, his view of the prime minister's approach to the base issue in Okinawa is also questionable. Hoshuyama criticized him for being "stupid" because during Diet interpellations, the prime minister showed understanding of Okinawa's anguish in searching for a solution, while also emphasizing the importance of the Japan-U.S. security arrangements.

Third, and most importantly, he gave no consideration to the seriousness of the highly emotional debate raging in Okinawa. He made the mistake of attempting to place administrative logic before everything else.

The current issue came up as a result of the rape of a schoolgirl, which spilled over to the issue of revising the Status of Forces Agreement and to the U.S. bases issue. Some even question the legitimacy of the bilateral security treaty. What the Japanese government needs to do now is outline the problems and persuade the Okinawan people patiently. This is indispensable to avoid disrupting the security arrangements. Hoshuyama's remark gave no thought to this.

During Diet interpellations, the prime minister described this problem as "an issue on which the cabinet stakes its fate." If this statement was based on recognition of the difficulty of managing the dilemma of the heavy burden imposed on the Okinawan people by locating 75 percent of U.S. Forces Japan bases on Okinawa, versus the importance of these bases in the Japan-U.S. security setup, which serves as a stabilizing mechanism in Asia and the Pacific, then the prime minister's approach is correct.

A massive rally of the Okinawan people will be held on 21 October, and Director General Seishiro Eto may pay a visit to Okinawa next week. The prime minister has also expressed willingness to be personally involved in the discussions. What the government needs is careful handling of this process.

### Okinawa Daily on DFAA Chief's Resignation

*OW2110112595 Naha RYUKYU SHIMBUN in Japanese 20 Oct 95 Morning Edition p 5*

[Editorial: "Hoshuyama's Resignation Is What He Deserved"]

[FBIS Translated Text] The political and social situation is becoming so intense that Prime Minister Tomiichi Murayama has said that the "destiny of this cabinet" depends on the issue of bases on Okinawa. Amid this, careless remarks, which can further complicate the situation, have cropped up. The situation has now take a new turn.

The fact that Governor Ota is refusing to sign documents to renew a lease for land use by U.S. military in the aftermath of a rape of a school girl by U.S. servicemen is developing into a situation that could shake the foundation of the government. In this situation, Director-General Noboru Hoshuyama of the Defense Facilities Administration Agency [DFAA], which is responsible for dealing with Okinawa's base issues, suggested in an 18 October meeting with Deputy Chief Cabinet Secretary Teijiro Furukawa that as the Okinawan governor showed no signs of softening his attitude, "legal measures be taken" such as the prime minister issuing an order to the governor to perform his duties.

In the meeting, Hoshuyama reportedly said: "Even if all-out efforts are to be made, it is difficult to come up with a drastic base trimming measure that can meet the governor's demand," and "We will try to settle the issue after consultation between the governor and the Defense Agency [DA] director-general in Okinawa, but in the worst case, we have no choice but to let the prime minister proceed with legal measures in a cool manner." He also reportedly said: "Things turned out like this because the prime minister is stupid."

The rape case has exposed the cabinet's disarray on whether or not the Status of Forces Agreement [SOFA] should be reviewed. Now, the situation has taken a new turn after a bureaucrat's [Hoshuyama] open criticism of the prime minister, saying: "The prime minister is stupid." The situation proves that politics and the administration are about to go to ruin.

#### Controversial Remarks Last Year

Taking his remarks seriously, the government leveled criticism against DFAA Director-General Hoshuyama, giving rise to calls for his resignation. But on the night of 19 October, Hoshuyama submitted a letter of resignation to DA Director-General Eto.

It can be said that the government accepted Hoshuyama's resignation based on the judgment that not only did his careless remarks go against the government's intention to settle the issue through dialogue with Governor Ota, but that taking the legal procedures suggested by Hoshuyama would rub the Okinawan people the wrong way, complicating the problem.

The Okinawan people still remember that Hoshuyama made controversial remarks when he visited Okinawa in September 1994. At a news conference, he said that Okinawa is "an important place for U.S. strategy in Asia," and that "it was hoped that Okinawa will accept the military bases and learn to coexist and live symbiotically with U.S. military bases." His remarks invited cross-island criticism by the Okinawan people. Despite the Okinawan people's strong protests, including calls for his dismissal, the government failed to deal with him and managed to gloss over the situation by only giving him a warning. We think that the basis of his recent controversial remarks was created last year and that the government's failure to take proper action then led to his careless remarks on 19 October.

His remark that "the prime minister is stupid" is low. Rather than call such remarks into question, however, we think the problem lies in his attitude. Despite the fact that he was the highest executive responsible for dealing with the Okinawan base issues, he tried to force the "Okinawan people to coexist and live symbiotically with U.S. military bases." Most recently, he said: "Legal measures should be taken — such as the prime minister issuing the governor an order to perform his duties — because it is difficult to meet Okinawa's demands for a drastic reduction of military bases." This attitude is questionable.

Based on his attitude, we do not perceive any intent to reflect the appeals of Okinawa's residents, who are distressed by military bases, in the administration. We now wonder what a government organ called the DFAA — whose chief twice made intolerable remarks — really is all about.

### Existence of DFAA Called Into Question

If the government continues to say that it is difficult to drastically cut military bases, and therefore, it is necessary to take legal procedures, the military base issue facing Okinawa will not be settled for quite some time. We wonder what the DFAA thinks about the fact that 75 percent of the military bases are concentrated on Okinawa, which accounts for only 0.6 percent of the country.

Underlying the Okinawan people's anger and uprising against the brutal case by U.S. servicemen is their strong wish to drastically scale down huge military bases so that such a case will not occur again.

Nevertheless the DFAA, which calls on the prime minister to take legal action, turns a deaf ear to the Okinawan people's demands and, fundamentally, is merely an organ that is forcing the Okinawan residents "to coexist and live symbiotically with U.S. military bases." This kind of government office causes trouble for Okinawa, and we do not need it.

All the same, we are deeply disappointed about the government's inability and lack of policy. Support for the Okinawan people's rally scheduled for 21 October has grown widely, and the rally is likely to be far bigger than expected. For the Okinawan people, the rally is an opportunity to protest against the recent rape case and to vent their wrath about massive military bases on Okinawa. However, what Prime Minister Murayama is doing is repeating his intentions to "settle the issue through consultation," failing to hammer out any concrete plans for a drastic cutback in military bases. It seems that there is no way to settle the issue because his party gave up its long-maintained policy of disapproving of the Japan-U.S. Security Treaty and finally recognized the pact.

The issue regarding Hoshuyama's controversial remarks seems to have been solved for the present. But, we think that the characteristics of the DFAA, which "forces Okinawans to coexist and live symbiotically with the military bases," will not change so easily. Moreover, there are many doubtful points, such as whether the government really wants to intrepidly settle the Okinawa base issues.

Although Mr. Hoshuyama's recent remarks have amplified the Okinawan people's anger and further confused the situation, we wonder how the government will respond to Okinawa's call for drastic streamlining and cuts in military bases. The issue remains unsettled.

## 'Gap' With U.S. Over Joint Statement Viewed

*OW2010013995 Tokyo ASAHI SHIMBUN in Japanese 19 Oct 95 Morning Edition p 1*

[FBIS Translated Text] The Japanese and U.S. Governments will rewrite a joint statement, which they have been preparing on the precondition of announcing it at a Japan-U.S. summit slated to be held late November, for "reconfirmation of the Japan-U.S. Security Treaty." The two governments will do that because Prime Minister Tomiichi Murayama — following the rape of an Okinawan schoolgirl by U.S. servicemen, Governor Masahide Ota's refusal to sign a lease for the forced use of land by U.S. military bases, and other incidents — is thinking about incorporating, among other things, a plan to reduce U.S. military bases on Okinawa in the joint statement. Taking a serious view of the situation, the United States is assuming a posture of trying to find a way out, not only through the U.S. Embassy in Tokyo, but also by sending private parties concerned to Japan. However, there is a big gap between the United States, which wants to avoid a reduction of the military bases needed for maintaining its East Asian strategies, and the prime minister, who wants to set forth the demise the Cold War in his policies. It seems that both sides will have rough negotiations over the new contents of the joint statement.

According to officials concerned in both the Japanese and U.S. Governments, the United States has already prepared a draft of the joint statement and showed it to the Japanese side. It is composed of "general remarks" and "specific policy goals." Reportedly, the draft stresses that the importance of the Japan-U.S. Security Treaty will not dwindle but continue to grow in the future, saying, among other things that; 1) the Western nations were able to guide the Cold War to an end through their allied efforts, including the Japan-U.S. Security Treaty; 2) importance of the Japan-U.S. Security Treaty will not change even in the post-Cold War era; and 3) [the security treaty] will be useful not only for defense cooperation between the two countries, but also for cooperation in the Asia- Pacific region and on a global scale.

It is said that the Japanese authorities agree in general with the U.S. draft and that it will submit its own counterproposal.

Meanwhile, triggered by the 4 September incident on Okinawa, criticisms are cropping up in Japan against the Japan-U.S. Status of Forces Agreement, which imposes restrictions on Japan's investigations into crimes committed in Japan by U.S. servicemen. Moreover, the incident led to a situation on Okinawa in which Governor Ota refused to sign a lease for the forced use of land by U.S. military bases.

Because of this, Prime Minister Murayama reportedly made a request to senior officials at the Ministry of Foreign Affairs [MOFA] and other ministries, saying: "I want to hear the voices of the Okinawan people who call for a reduction of U.S. military bases be reflected at the Japan-U.S. summit talks. I would like to explain at the summit and in the joint statement a certain course for reducing military bases on Okinawa." Chief Cabinet Secretary Koken Nosaka is also stressing that a plan to "reduce the military bases" should be incorporated in the joint statement.

Moreover, it is said that although he gave his consent to "reconfirmation" of the significance of the Japan-U.S. Security Treaty, the prime minister is expressing disapproval of the idea of expanding the role of the security treaty.

MOFA is saying: "We would like to show Japan's proposal to the U.S. side by finalizing our ideas before Secretary of Defense Perry comes to Japan" (according to a senior MOFA official). But some officials are of the view that "It is inevitable that negotiations with the United States will face rough sailing if we rewrite the joint statement in line with the prime minister's idea" (according to a senior MOFA official).

The U.S. bases on Okinawa are treated as the conerstone for U.S. strategies in East Asia. Therefore, it is possible that both sides will have complicated negotiations until immediately before 21 October, the day of the Japan-U.S. summit talks.

### 'Growing Anger' Over U.S. Bases Issue Viewed

*OW2110060195 Hong Kong HONGKONG STANDARD in English 21 Oct 95 p 10*

[Editorial: "No Quick Fix in Okinawa U.S. Bases Dilemma"]

[FBIS Transcribed Text] Thousands of Okinawans are due to demonstrate today against the continued presence of American military based on the island.

Although there has been a simmering resentment for years against the United States presence there, which began some 50 years ago, today's protest marks a high point in the growing anger of the local inhabitants.

This resentment might not have reached the level of a massive demonstration had US personnel been more understanding of local antagonisms and behaved circumspectly.

However, last month's rape of a 12-year-old girl for which three American servicemen have been charged, naturally touched off a local chain reaction with repercussions felt in Tokyo and even Washington.

One of the issues Japanese Prime Minister Tomiichi Murayama will discuss with US President Bill Clinton next month in Washington is the American military bases in Okinawa.

A growing number of Okinawans would like to see the bases closed altogether. Recent surveys indicate more than 92 per cent of local people want them closed or scaled down, with those supporting a total closure increasing during the past couple of years.

Still, it is unlikely Mr Murayama will call for the closure of the Okinawa bases. Nor is the US administration likely to do so even if Mr Murayama wanted it.

For strategic reasons the US is going to continue to have a military presence in Japan.

Tokyo itself would not want to see a hasty or even a structured withdrawal in the near future, if only because Japan can continue to shelter under the US security umbrella without having to be burdened with its own defence which would require a substantial upgrading of its armed forces.

In any event, alarm bells would start sounding in the region at the first signs of Japanese military expansion, given the regional fears that exist over a resurgence of Japanese militarism.

So neither Washington nor Tokyo would want to see a total American withdrawal from Japan. The problem then for Mr Murayama is how to assuage the feelings of the Okinawa people while ensuring the Americans remain in sufficient numbers to act as a viable operational force.

Admittedly, it is not an easy task because the US military in Okinawa accounts for 75 per cent of the US forces in Japan.

He could ask Mr Clinton for a cut back in the actual numbers stationed in Okinawa. But that might require Tokyo providing them with enlarged facilities elsewhere in Japan to maintain necessary troop levels.

Would that sufficiently remove the grievances of the Okinawans who had been promised for years that the bases will gradually be scaled down?

### Hashimoto Voices 'Displeasure' on Alleged Spying

*OW2110111695 Tokyo KYODO in English*
*1104 GMT 21 Oct 95*

[FBIS Transcribed Text] Ripley, Britain, Oct. 21 KYODO — Japanese International Trade and Industry Minister Ryutaro Hashimoto on Saturday [21 October] voiced displeasure to the United States over its reported espionage in crucial bilateral auto talks in June, Japanese Government officials said.

Hashimoto expressed his feelings during a meeting with U.S. Trade representative Mickey Kantor in this northern English village, the officials said.

THE NEW YORK TIMES recently reported that agents of the U.S. Central Intelligence Agency had eavesdropped on secret conversations between Hashimoto and Japanese auto industry leaders during sensitive Japan-U.S. trade negotiations in Geneva in late June.

But in the one-hour meeting with Kantor, Hashimoto did not urge him to clarify whether the reported spying actually took place, the officials said.

Hashimoto was quoted as saying the spying case is not a topic to be discussed in Ripley and that Japan is waiting for Washington to report on its recent inquiry into the case.

Kantor made no specific comment on the issue to Hashimoto, the government officials said.

Hashimoto met with Kantor ahead of the second-day session of a two-day ministerial trade meeting among Japan, the U.S., Canada and the European Union.

### Hashimoto Proposes Ending Semiconductor Accord

*OW2110133895 Tokyo KYODO in English*
*1310 GMT 21 Oct 95*

[FBIS Transcribed Text] Ripley, Britain, Oct. 21 KYODO — Japanese International Trade and Industry Minister Ryutaro Hashimoto proposed to the United States on Saturday [21 October] terminating a Japan-U.S. semiconductor accord, Japanese Government officials said.

During a meeting with U.S. Trade Representative Mickey Kantor in Ripley, North Yorkshire, Hashimoto unveiled Tokyo's intention not to renew the bilateral chip pact after its expiry next summer, the officials said.

But Kantor avoided a specific response to the proposal, they said.

Hashimoto and Kantor met in a hotel adjacent to Ripley Castle before attending the second-day session of a two-day quadrilateral trade ministerial meeting among Japan, the United States, Canada and the European Union.

In the meeting, Hashimoto expressed displeasure over Washington's reported espionage in crucial bilateral auto talks in June, the officials said.

THE NEW YORK TIMES recently reported that agents of the Central Intelligence Agency had eavesdropped on secret phone conversations between Hashimoto and Japanese auto industry leaders during sensitive Japan-U.S. trade negotiations in Geneva in late June.

But in the one-hour meeting with Kantor, Hashimoto did not urge him to clarify whether the reported spying actually took place, the officials said.

Hashimoto was quoted as saying the spying case is not a topic to be discussed in Ripley and that Japan is waiting for Washington to report on its recent inquiry into the case.

Appearing from his meeting with Hashimoto, Kantor told a small group of journalists that the spying case will not undermine Japan- U.S. relations.

Bilateral ties have never been stronger and better than now, as seen in the recent increase in U.S. access to Japan's markets, Kantor said, adding that Hashimoto agreed.

Kantor said, "We don't discuss publicly intelligence matters."

Kantor then said, "He (Hashimoto) said the Japanese concerns would be expressed through diplomatic channels so there is no need for us to discuss it."

In late July, Hashimoto and Kantor struck a last-minute deal on auto and auto parts trade, fending off Washington's threatened sanctions of 100 percent punitive tariffs on Japanese luxury car imports worth 5.9 billion dollars.

The Japan-U.S. chip accord was struck in August 1991 and renewed several times. It calls for Japan to maintain "a gradual and steady increase" above the 20 percent level in the market share in Japan for foreign chips.

The pact is not binding but it has virtually become a so-called "numerical target" for Japan.

The accord has become a source of contention between Tokyo and Washington many times in the past when foreign shares in Japan slipped below 20 percent.

In the past few years, however, the foreign chip share has stayed above 20 percent, prompting the call for ending the pact.

The experience of the chip trade dispute led Tokyo to reject any form of numerical target under the bilateral trade framework talks.

In the Geneva auto talks, for example, Japanese negotiators did not budge on the policy of opposing such targets — until the very final moment of the negotiation deadline that would have led to sanctions.

Washington is unlikely to accept the latest Japanese proposal for ending the chip pact, industry observers said, noting an expected objection from the U.S. chip industry that it needs a certain kind of measure to gauge its access to the Japanese market.

In the meeting with Hashimoto, Kantor proposed the EU be allowed to take part in review sessions meant to ensure implementation of the Geneva auto deals, the Japanese officials said.

The auto deal should be steadily implemented through close monitoring and the EU should participate in such monitoring, Kantor was quoted as saying.

Noting the proposed idea is still sketchy, Hashimoto refrained from making a specific commitment to the proposal, the officials said.

The two ministers, however, agreed to leave the issue to working- level talks, the officials said.

### Hashimoto 'Basically' Agrees on Microchip Talks

*OW2110142895 Tokyo KYODO in English*
*1417 GMT 21 Oct 95*

[FBIS Transcribed Text] Ripley, Britain, Oct. 21 KYODO — Japanese trade minister Ryutaro Hashimoto on Saturday [21 October] basically accepted a European Union (EU) proposal for government semiconductor talks among Japan, the United States and the EU, Japanese Government officials said.

The basic acceptance came at talks between Hashimoto and Leon Brittan, vice president of the European Commission, the executive body of the EU, the Japanese officials said.

But Hashimoto insisted the proposed talks should not take up the semiconductor trade accord between Japan and the U.S., the officials said.

The EU had proposed the three major economic powers discuss the future course of the world's semiconductor market.

But Japan had been cautious about the proposal for fear that the EU might join semiconductor talks between Japan and the U.S.

The Japan-U.S. chip accord, signed in August 1991, calls for Japan to make efforts to maintain the foreign share of the Japanese market above 20 percent.

But this has caused controversy as the U.S. has treated the market share, which was stated in the accord as nonbinding, as a guaranteed numerical target.

At Saturday's talks, Brittan asked Hashimoto to allow EU companies to join private-sector semiconductor talks between Japan and the United States, the Japanese officials said.

Hashimoto replied Japan would not oppose EU companies' participation if the EU recognizes the Japan-U.S. accord will expire in July 1996, they said.

Hashimoto and Brittan met before the second and last day of a meeting of trade ministers from Japan, the U.S., Canada and the EU.

At a joint press conference after the quadrilateral talks, Brittan said the EU thinks the U.S. has in principle approved the EU's joining as an observer of follow-up meetings between Tokyo and Washington on their recent auto trade agreement.

At the news conference, Hashimoto also expressed Japan's readiness to accept the EU as an observer.

Japan will not reject any country seeking to join the follow-up meetings as an observer, he said, adding he hopes other countries will admit Japanese participation when Tokyo wants it.

Japan and the U.S. struck a last-minute deal in June for larger Japanese purchases of foreign autos and auto parts, averting threatened U.S. sanctions of 100 percent tariffs on Japanese luxury car imports.

### Hashimoto, Major Agree on Strengthening Ties

*OW2310100695 Tokyo NIHON KEIZAI SHIMBUN in Japanese 20 Oct 95 Evening Edition p 2*

[By Atsushi Ishinabe]

[FBIS Translated Text] 19 Oct, London — Ryutaro Hashimoto, deputy prime minister and international trade and industry minister, who is visiting the UK, made a courtesy call on UK Prime Minister John Major at his official residence on 19 October. During the 30-minute talk with Major, Hashimoto stated: "The most important task from now up to the beginning of next year, I think, is to hold dialogues between the European Union (EU) and Asian nations." In this way, he stressed the significance of the EU-Asia summit to be held in Thailand late next February. In response, Major stated: "We should make efforts to invite Australia, New Zealand, India, and Pakistan (all nonmembers) to join."

Both agreed that the EU and Asian nations should form an extensive relationship.

The EU-Asia summit is scheduled to be held in Bangkok, Thailand, under EU and ASEAN leadership. Since Malaysia and other nations are opposed to admitting Australia and New Zealand, neither will attend the first session of the summit in February. Hashimoto said emphatically to Major: "Efforts should be made to hold the second session as soon as possible (so that the two countries can join)."

### Roundtable on CIA Spying, Security, Base Issues

*OW2310104395 Tokyo FNN Television Network in Japanese 2230 GMT 21 Oct 95*

[FBIS Editorial Report] Tokyo FNN Television Network in Japanese at 2307 GMT on 21 October, during its weekly "News 2001" program, carries a 38-minute live discussion on alleged spying by the U.S. Central Intelligence Agency [CIA], the Okinawan issue, Japan-U.S. security arrangements, and the coalition government. Participants in the roundtable discussion are Kiichi Miyazawa, former Prime Minister; Yukio Okamoto, former chief of the First North America Division of the Ministry of Foreign Affairs' North American Affairs Bureau; David E. Sanger, writer of the CIA article in THE NEW YORK TIMES; and Kenichi Takemura, freelance commentator. The discussion takes place in FNN's Tokyo studio and is moderated by FNN announcers Yuji Kuroiwa and Junko Hamada. Sanger, who speaks in English with simultaneous translation into Japanese, joins the discussion only on the CIA spying part, via satellite hookup from Washington.

At 2307 GMT, Kuroiwa first asks Miyazawa how the Clinton administration has recently viewed the administration of Tomiichi Murayama. Miyazawa says: "It is as usual. There is nothing to worry about."

Kuroiwa asks Sanger whether he wrote the article on the CIA's alleged spying in the Japan-U.S. auto talks in Geneva with corroboration. Sanger says that as a matter of course, the article was based on various sources. He adds: "What is the most important point here is — this incident seems to have surprised many people in Japan — that this kind of intelligence activities in the economic field have long been conducted as routine work. The incident is no special news." Kuroiwa asks about the possibility that the CIA intentionally leaked the incident to Sanger to justify its existence. Sanger refrains from answering this question. However, he maintains that his article does not focus on Japan and that the important theme of the article is how well the CIA has functioned in its new assignment of economic spying.

Kuroiwa asks Miyazawa what he thinks about the incident. While noting the importance of obeying the relevant laws, Miyazawa stresses that conducting intelligence activities is a matter of course. Asked about his experience during his term as prime minister, Miyazawa says: "Unlike in communist countries, laws must be respected in democratic states. To be honest, I, as a matter of fact, had a sense that important diplomatic matters should be talked about in an important manner." Agreeing with Miyazawa, Okamoto says that it is usual to be cautious about being wiretapped. Noting his view that common sense in Japan is unacceptable in the world, Takemura asserts that conducting such activities is common sense in the world. He then shows concern that, in the wake of the incident, people may think Japan-U.S. relations are deteriorating. Asked about his conversation with Clinton at a sushi restaurant, Miyazawa says: "Clinton and I held private talks. Only a chef may have heard our conversation." He states that in his experience, diplomatic negotiations were not affected by espionage because everyone involved was cautious. Asked whether the CIA is putting emphasis on collecting economic information, Sanger says that he thinks intelligence activities in the economic field will become more important for the CIA in the future. Miyazawa says that in shifting its emphasis to economic information, the CIA may need to grind away at economic matters to analyze information.

At 2325 GMT, the topic turns to U.S. military bases on Okinawa and Japanese- U.S. security arrangements. On the Okinawan people's rally held on 21 October to protest the alleged rape of a local schoolgirl by U.S. servicemen, Miyazawa stresses that everyone should recognize that the Okinawan people have borne the heavy burden of U.S. military bases on behalf of the people in mainland Japan, adding that the Japan-U.S. security arrangements and U.S. military bases are important. Okamoto says: "I am dissatisfied with the prime minister's handling of the current case. Even President Clinton, on television, severely denounced the rape case in Okinawa, at the same time noting the importance of the Japan-U.S. alliance. At this time, Prime Minister Murayama needs to indicate clearly to the people the government's position on the issue, the significance of Japan-U.S. security arrangements, and the proper relationship between Okinawa and mainland Japan. At the same time, of course, he needs to denounce the rape case severely." Takemura also notes the need for Prime Minister Murayama to show publicly his regret over the rape case and at the same time indicate the importance of Japan-U.S. security arrangements to the Okinawan people.

At 2336 GMT, Kuroiwa introduces a book written by Kei Wakaizumi about the 1969 secret agreement between then Prime Minister Eisaku Sato and then U.S. President Nixon that U.S. forces would be able to bring nuclear arms to Okinawa in case of emergency. Saying he has read the book, Miyazawa states that it is not confirmed that such an agreement was ever concluded. He adds, "Of course, there is no such document at the Prime Minister's Official Residence." Okamoto states that his friends at the White House deny that such a document has been handed over to presidents at the White House.

Changing the topic, Kuroiwa asks how Miyazawa thinks about Finance Minister Masayoshi Takemura's participation in the rally in Tahiti to protest French nuclear testing. Miyazawa says that Takemura's act was undesirable and did not contribute to national interests at all. Then, participants briefly talk about issues concerning the coalition government.

### Takemura To Lead in New Party With SDPJ

*OW2110151595 Tokyo KYODO in English*
*1423 GMT 21 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 21 KYODO — Masayoshi Takemura, head of the small coalition force New Party Sakigake [Harbinger], showed enthusiasm Saturday [21 October] to take the lead in forming a new party together with its coalition partner the Social Democratic Party (SDP) led by Prime Minister Tomiichi Murayama.

At a symposium, Takemura said, "it is Sakigake's consensus that (the party) will make a new start if we can stick to our ideas and a basic policy."

Takemura has been preparing to create a new party with the SDP, and held talks a week ago with Murayama, also SDP chairman, and House of Representatives speaker and former SDP chief Takako Doi at the premier's official residence.

Takemura, finance minister in the Murayama cabinet, has also discussed the issue with leaders of labor unions which support the SDP.

At a meeting with leaders of Japan's postal workers union on Thursday, Takemura reportedly said he is determined to form a new party with the SDP, adding that if Ryutaro Hashimoto, president of the dominant coalition force, the Liberal Democratic Party (LDP), takes power, Sakigake would leave the coalition.

Sakigake, the SDP and the LDP form the current coalition.

Among some SDP members and labor unions, the idea has surfaced that Takemura should head a new party to be created by the SDP and Sakigake.

At the symposium, Doi was also positive toward the SDP's tie-up with Takemura.

Former Hokkaido Gov. Takahiro Yokomichi, regarded as one of the possible leaders of the new political party, also told a meeting in Sapporo, northern Japan, that he "wants Takemura to play a role in bringing opinions together."

On a panel discussion held in Sapporo on Saturday, senior Sakigake member Shusei Tanaka disclosed that he is inviting Yokomichi to join Sakigake.

The SDP is planning to form a new party late this month, rallying liberal forces to revamp its floundering popularity, as well as with the aim of rivaling the two biggest conservative parties — the LDP and the main opposition Shinshinto (New Frontier Party).

### Yokomichi Unconcerned About New Party Deadline

*OW2310103095 Tokyo KYODO in English*
*0818 GMT 23 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 23 KYODO — Former Hokkaido Gov. Takahiro Yokomichi said Monday [23 October] he does not place too much weight on the November deadline set by Social Democratic Party (SDP) Secretary General Wataru Kubo for launching a new party.

Speaking at a meeting sponsored by KYODO NEWS SERVICE, Yokomichi said an inauguration held two to three months before the next general election would be soon enough, as long as the basic structure of the new entity is already in place and publicly assessable debates on policy have started by that time.

After the SDP formally decided to disband and form the nucleus of a new "liberal" party, Kubo called for the new party to be launched by early November.

Yokomichi, who is expected to be a leading member of the new party, said a concrete plan of the party's basic structure should be published by early November at the latest.

"Otherwise, there is a danger that the project will vanish into thin air," he said.

Yokomichi also appeared supportive of picking new party Sakigake head Masayoshi Takemura, also finance minister, to lead the new party.

On Saturday, Yokomichi told a meeting in Sapporo, northern Japan, that he wants Takemura to play a role in bringing opinions together.

The SDP is planning to form a new party late this month, rallying liberal forces to revamp its floundering popularity, as well as with the aim of rivaling the two biggest conservative parties — the Liberal Democratic Party and the main opposition Shinshinto (New Frontier Party).

Most of the present SDP members are expected to join the new entity.

### Political Funds Drop Over Previous Year

*OW2310044495 Tokyo KYODO in English*
*0220 GMT 23 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 23 KYODO — Political organizations in Tokyo raised a total of 16.4 billion yen in fiscal 1994, down 17.8 percent from the previous year, the metropolitan government's Election Administration Committee reported Monday [23 October].

The total revenue declared by 3,581 political entities, including political parties, in the nation's capital was the sixth largest on record. The previous year's total was the second highest ever.

Declared spending by the groups totaled 15.8 billion yen in the year that ended March 31 this year, down 21.9 percent from the previous year.

The decline in income was attributed to the fact that no major elections were held in the year and also to the nation's continued economic slump.

But the political groups carried over a record 5.9 billion yen into the fiscal 1995 account, up 11.4 percent, in apparent preparation for the House of Councillors election which took place in July and the Tokyo gubernatorial election that was held in May.

Financial reports were submitted by 88.6 percent of the 4,042 organizations that are required to do so, up 1.5 percentage points.

As for political parties in Tokyo, their total declared income in the year fell 12.8 percent to 7.6 billion yen, with the Japanese Communist Party topping the list in the amount declared.

Declared donations to political organizations plunged 23.7 percent to 7.7 billion yen, accounting for 46.9 percent of their overall declared revenues.

Of the total donations, those by individuals accounted for 3.8 billion yen, those by companies and other nonpolitical organizations amounted to 2.4 billion yen, while contributions by political organizations came to 1.5 billion yen.

The report also said 37 organizations held fund-raising parties in the year, raking in 725 million yen, with the Liberal Democratic Party leading the pack with proceeds of 181 million yen.

### Final Draft of APEC 'Action Agenda' Summarized

*OW2310141195 Tokyo YOMIURI SHIMBUN*
*in Japanese 20 Oct 95 Morning Edition p 8*

[FBIS Translated Text] The following is a summary of the final version of the draft "Osaka Action Agenda" regarding trade and investment liberalization and facilitation and economic and technological cooperation:

Part I: Liberalization and Facilitation

(A) General Rules

1) Comprehensiveness — The Asia-Pacific Economic Cooperation (APEC) forum's liberalization and facilitation plans are comprehensive and will apply to all barriers in order to implement free trade and investment.

2) Harmony with GATT and World Trade Organization (WTO) Accords — (abridged)

3) Consistency — Overall consistency will be secured in regard to liberalization and facilitation plans.

4) Non-Discrimination — The results of liberalization and facilitation plans will be applied indiscriminately to markets within and outside the APEC forum.

5) Transparency — Transparency will be secured in regard to laws, regulations, and administrative procedures.

6) Status Quo — Steady liberalization process will be secured.

7) Term of Liberalization — Liberalization goals will be achieved in developed countries and territories by 2010 and in developing countries and territories by 2020.

8) Diversity in Economic Sectors — Consideration will be given to the uniqueness of individual countries and territories' trade and investment sectors, and different handling of liberalization and facilitation process will be approved.

9) Economic and Technological Cooperation That Will Enhance the Liberalization Process — Plans for economic and technological cooperation that will enhance the liberalization process will be aggressively pursued.

(B) Framework of APEC for Liberalization and Facilitation

1) Countries and Territories' Action Programs — Action programs on the liberalization process will be submitted at the ministerial meeting in the Philippines in 1996;

action programs will be initiated beginning in January 1997.

2) Activities of APEC's Relevant Agencies — (abridged)

(C) APEC Multilateral Initiative — Accords under GATT's Uruguay Round of multilateral trade talks will be put into effect ahead of schedule.

(D) Action in Individual Sectors

1) Tariffs — Purpose: Reduction and abolition of tariffs and securing transparency in tariff systems; Common Action: Development of tariff database systems

2) Non-Tariff Measures — Purpose: Reduction and abolition of non-tariff measures; Common Action: Compilation of a list of non- tariff barriers and abolition of trade bans, export restrictions, and export subsidies by 2000

3) Services — Purpose: Expanding national treatment in the services sector

4) Investment — Common Action: Initiating dialogue with the OECD and other organizations

5) Standards and Certification — Guidelines: Reaching agreement on mutual, multilateral certification in regard to foodstuffs and toys by late 1996 to 1997 and adopting the metric system by 2005

6) Customs Procedures — Common Action: Computerizing customs procedures by 1999

7) Intellectual Property Rights — Common Action: Adopting the WTO agreement on trade-related aspects of intellectual property rights (TRIP) by 2000

8) Competitive Policies — Common Action: Initiating talks beginning in 1998 among various antimonopoly agencies on creating a cooperative mechanism

9) Government Procurement — Purpose: Achieving open, non- discriminatory, and transparent markets in regard to government procurement projects

10) Deregulation — Purpose: Removing trade and investment barriers caused by regulations

11) Regulations at the Place of Origin of Products — (abridged)

12) Mediation of Conflicts — Common Action: Studying by 1996 the possibility of making recommendations concerning services for the resolution of disputes through voluntary talks

13) Businessmen's Movement — (abridged)

14) Steady Implementation of Uruguay Round Accords — (abridged)

15) Information Gathering and Analysis — (abridged)

Part II: Economic and Technological Cooperation

(A) Main Point — Economic and technological cooperation will be based on the idea of equal, cooperative relationships and impartial assistance and not on that of a relationship between aid-giving countries and recipient countries.

(B) Economic and Technological Cooperation in Regard to Individual Sectors — The APEC forum will carry out plans for economic and technological cooperation in the following individual sectors:

1) Training of personnel

2) Industrial sciences and technology
3) Medium and small enterprises
4) Economic infrastructures
5) Energy
6) Transportation
7) Data communications
8) Tourism
9) Trade investment data
10) Trade promotion
11) Protection of marine resources
12) Fisheries
13) Agricultural technology

(C) Further Developments in Economic and Technological Cooperation — (abridged)

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## APEC Talks Unlikely To Adopt Action Agenda

*OW2010083095 Tokyo KYODO in English*
*0816 GMT 20 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 20 KYODO — Ministers of the Asia-Pacific Economic Cooperation (APEC) forum are not likely to adopt the framework for achieving free trade and investment by the year 2020 at their November meeting, a senior Japanese official said Friday.

The foreign and economic ministers' acceptance of the framework, the so-called action agenda, is being blocked by a dispute over agricultural trade, the official of the Ministry of International Trade and Industry told KYODO NEWS SERVICE.

He said the settlement and adoption of the action agenda will be carried over to a meeting of APEC's top leaders, to be held immediately after the ministerial talks.

"The matter should be dealt with at the summit," he said. "I don't think the final solution will be found until then," he said on condition of anonymity.

APEC talks involving foreign and trade ministers are scheduled for Nov. 16-17 in Osaka, to be followed by an informal summit of the leaders of APEC's 18 member economies Nov. 19. Japan is the chair nation of this year's APEC high-level dialogue.

Last week, senior APEC officials failed to reach accord on whether to exclude agriculture from APEC's principle of comprehensive trade liberalization.

While Japan, China, South Korea and Taiwan insist on excluding agriculture from APEC's goal of free trade, the United States and some other members are adamant about adhering to all-inclusive liberalization.

The official confirmed that the APEC leaders will issue at their summit a joint declaration restating their commitment to freer and more open trade and investment in the region.

### Murayama, Jiang 'Remain Apart' on Nuclear Tests

*OW2210230695 Tokyo KYODO in English*
*2218 GMT 22 Oct 95*

[By Kohei Murayama: "Murayama, Jiang Clash on Nuke Tests, Suspended Aid"]

[FBIS Transcribed Text] New York, Oct. 22 KYODO — Japanese Prime Minister Tomiichi Murayama and Chinese President Jiang Zemin remained apart Sunday [22 September] over Beijing's continued testing of nuclear weapons and Tokyo's retaliatory suspension of bilateral grant aid, a Japanese spokesman said.

On the other hand, the two leaders agreed in their 40-minute talks to avoid the nuclear and aid disputes from hurting overall bilateral ties, thus reconfirming continued cooperation in economic and other fields, particularly in the Asia-Pacific economic cooperation (APEC) forum, for stability and peace in the region, the spokesman said.

Chinese officials were not available for comment.

Murayama and Jiang are in New York to address a special session of the UN General Assembly commemorating the 50th anniversary of the world body's founding.

Citing China's recent nuclear tests, Murayama "reiterated that China should refrain from further nuclear tests," the spokesman said.

Murayama told Jiang that there is a "strong public feeling" in Japan against nuclear weapons, especially in this 50th year since the atomic bombing on Hiroshima and Nagasaki in the closing days of World War II, he said.

Against this backdrop, Murayama said, "We cannot win public support for using tax (for Chinese aid)... [ellipses as received] and will not resume grant aid, except in some areas, unless China stops nuclear testing," the spokesman said.

Japan suspended its free financial assistance, except humanitarian aid, in protest against China' nuclear tests, conducted twice so far this year.

Jiang criticized Tokyo's action by saying the nuclear issue should not be linked with economic issues, the spokesman said.

Defending his policy as not linking political and economic issues, Murayama said using tax for free aid is difficult but other economic assistance remains intact, referring to Japan's policy of continuing official loans for China, the spokesman said.

Such official credits, denominated in yen, are used to finance long-term development projects while grant aid goes to short-term, small-scale programs.

The Chinese president acknowledged Japan's "strong voice for abolishing nuclear weapons as the only victim of atomic bombing" and expressed "sympathy with the people of Hiroshima and Nagasaki," the spokesman said.

But Jiang said China has conducted "the least" nuclear tests among the five declared nuclear powers — Britain, China, France, Russia and the United States — and has "the lowest" levels of technology and weapon holdings, he said.

The Chinese president also emphasized that Beijing possesses nuclear weapons for defending itself and not for preemptively attacking other nations.

"It is absolutely not a threat for the (Asian) region," the spokesman quoted Jiang as saying.

Murayama noted that Japan is pursuing "ultimate" elimination of nuclear weapons as the only atomic victim, and asked for China's efforts in completing the proposed Comprehensive Test Ban Treaty as early as possible and for Beijing's support on Japan's proposal to submit a resolution to ban nuclear tests to the current UN session, the spokesman said.

Jiang said China is also pursuing "complete" abolition of nuclear weapons.

Touching on Japan's wartime role, Jiang condemned "some people" in Japan for their "misleading" views while welcoming Murayama's apology and remorse expressed in a statement Aug. 15, the day Japan surrendered to the Allied Forces 50 years ago, the spokesman said.

Jiang was apparently referring to disputes in Japan on how to mention Tokyo's wartime past that surfaced when preparing the statement and a Diet resolution over Japan's wartime role marking the 50th anniversary of the end of the war.

Murayama told Jiang that the statement was based on a consensus among the three ruling coalition parties and that a majority of the Japanese people share the view, the spokesman said.

Otherwise, the two leaders agreed that bilateral relations are in "good shape," and reaffirmed continued cooperation and dialogue for peace and stability in the Asian region, he said.

Especially on APEC's annual ministerial gathering and informal summit in Osaka in November, Jiang expressed his "basic support" for Japanese-proposed principles of the "action agenda" to be hammered out at the meetings as a guideline for the group's 18 members to take concrete action toward freer trade, the spokesman said.

Unlike the U.S., some developing Asian nations cannot liberalize trade immediately in some difficult areas, Jiang was quoted as saying in apparently calling for exclusion of some sensitive sectors such as agriculture, the spokesman said.

Referring to Japan's proposal for "flexible principles," Murayama told Jiang that Japan intends to deal with "different situations in member nations with flexibility," he said.

Meanwhile, Jiang reiterated China's opposition to invite a top Taiwanese leader to the APEC summit in line with the previous summits in the U.S. city of Seattle and Bogor, Indonesia, where only a minister-level official represented Taipei, the spokesman said.

He said Murayama vowed that Japan will adhere to the previous practice regarding Taiwan's representation.

### Brighter Outlook on Economy Expected for 1996

*OW2010112595 Tokyo KYODO in English 1018 GMT 20 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 20 KYODO — The Bank of Japan (BOJ) shows a brighter outlook on the course of the economy, citing a possible pickup of production led by public works and housing spending in early next year, in its quarterly economic outlook issued Friday [20 October].

The economy remains stalled, but prospects for a moderate recovery early next year are beginning to appear, said Kunihiko Takeshima, director of the BOJ's Research and Statistics Department.

"In July, we pointed out risks the economy could slip back into recession in the October-December quarter, but we are now judging that the economy's downward risks are retreating considerably," he said.

Backed by public works and housing investment, production is expected to pick up early next year, when inventory adjustment is likely to almost finish, the BOJ said. Capital spending should strengthen its recovery, stimulating employment and personal consumption, it said.

Expansion of overseas economies and the yen's depreciation are expected to put a brake on the decline of net exports, which had played a major role in pushing down the economy since last spring, the central bank said.

While the government's pump-priming measures announced Sept. 20 are likely to help boost the economy early next year, housing investment may recover in the October-December period or later on low interest rates, the BOJ said.

Major manufacturers' capital spending is projected to keep recovering, the BOJ said, citing as reasons a strong intention to put money in information and telecommunication-related fields, a progressing stock adjustment and low interest rates.

Moreover, the central bank said personal consumption is expected to strengthen its recovery pace against the backdrop of an increase in overtime work early next year, when production is likely to pick up.

But smaller companies and nonmanufacturers are still prudent about their investment in plants and equipment because of a variety of structural adjustment pressures, including competition from other Asian countries and balance sheet problems, the BOJ said.

The BOJ also said households' propensity to consume is unlikely to improve markedly because they are being pressed by the serious restructuring efforts of companies. Thus, the economic recovery will likely be slower than those in the past, it said.

But Takeshima said the BOJ is not considering easing its credit stance further. "We are expecting our past measures, the yen's fall and the pickup of overseas economies to help our brighter economic outlook come true," he said.

Touching on prices, the central bank said the yen's decline and progressing inventory adjustment are expected to brake the downward trend of prices. Given structural factors, however, prices are likely to hold flat to lower for the time being, it said.

Though exports are likely to expand again due to a recovery of the U.S. economy and the yen's fall, imports should continue to post rapid growth, the BOJ said. Therefore, Japan's current account surplus will likely keep narrowing, it said.

For the October-December quarter, the BOJ said benchmark money supply — cash, demand deposits, nonnegotiable time deposits and certificates of deposit — is expected to rise in the 2 percent range, compared with a 2.8 percent growth in the previous quarter.

### Tokyo's Regional Economies Remain at Standstill

*OW2310102995 Tokyo KYODO in English*
*0941 GMT 23 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 23 KYODO — Japan's regional economies remain at a standstill, but there are signs of business sentiment improving amid the recent correction of the yen's rise in the currency markets, Bank of Japan (BOJ) branch managers said Monday [23 October].

The cautious assessment of regional economic conditions came at a two-day quarterly meeting of BOJ branch managers and overseas representatives that started at the central bank's head office in Tokyo on Monday morning.

At a news conference after the first-day session, Tadayo Homma, Osaka branch manager and executive director, said, "economic recovery in the Kansai area has been stalled."

But he added that corporate confidence has been improving in western Japan thanks to a decline in interest rates, the correction of the yen's advance and a pickup in stock prices.

Despite its cautious tone, the assessment is more optimistic than the view held previously by the Bank of Japan. Until recently, the central bank said there were risks that the Japanese economy could slip back into recession.

In a speech at the outset of the meeting, BOJ Governor Yasuo Matsushita said the central bank has yet to confirm concrete signs of the Japanese economy finally emerging from the doldrums.

However, Matsushita said, "the pessimism on the economy which prevailed in the past has been dwindling."

Declines in short- and long-term interest rates stemming from recent credit-easing steps, coupled with large additional fiscal spending and the correction of the yen's appreciation, will have favorable effects on the economy's recovery, he said.

The central bank guided money market rates lower in July and cut its discount rate by half a percentage point to a historic low of 0.5 percent in September. The government also adopted a record 14.22 trillion yen pump-priming package in September to help lift the sluggish economy.

Matsushita's remarks echoed his bank's assessment shown in its quarterly economic outlook report released last Friday.

The economy remains at a standstill, but the groundwork for recovery will be laid gradually early next year with an upturn in production, the report said.

Matsushita also called for an early settlement of the bad loan issue at Japanese financial institutions.

"It is necessary not for restoring the function and trust of Japan's financial system but for achieving sustained economic growth," he said.

Matsushita will hold a news conference Thursday afternoon, following a meeting of the managers of 33 domestic branches and three representative offices in New York, London and Hong Kong.

Osaka branch manager Homma, meanwhile, told reporters that personal consumption in the Kansai area remains firm. Corporate capital spending is showing a recovery trend, supported by public works projects related to the rehabilitation of the area, which was hit hard by January's devastating earthquake, he said.

Production in the area is on a weak note, weighed down by continued inventory adjustments in the auto and construction material sectors, Homma said.

But he said, "there is a dominant view in the industry that production adjustments will be basically completed in the October- December period."

### BOJ Governor Comments on Economic Future

*OW2310040595 Tokyo KYODO in English*
*0348 GMT 23 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 23 KYODO — Bank of Japan (BOJ) Governor Yasuo Matsushita said Monday [23 October] pessimism about the future course of the Japanese economy is retreating.

The BOJ, however, has yet to confirm concrete signs of the economy getting out of the prolonged doldrums partly because it is not long since the central bank eased credit policy twice in July and September, Matsushita said.

In an opening address at a two-day quarterly meeting of central bank branch managers, Matsushita said, "The pessimism on the economy which prevailed in the past has been dwindling."

Declines in short and long-term interest rates stemming from the credit-easing, coupled with large additional fiscal spending and the correction of the yen's rise in the currency markets, are expected to have favorable effects on the economy's recovery, Matsushita said.

The central bank will continue to carefully watch how the series of fiscal and monetary policy measures will filter into the economic and financial sectors, he said.

Matsushita's comments echoed the BOJ's assessment shown in its quarterly economic outlook report released last Friday.

The economy remains at a standstill, but the groundwork for recovery will be laid gradually early next year with an upturn in production, the report said.

The BOJ previously pointed out risks that the economy could slip back into recession in the October-December quarter.

On the stability of Japan's financial system, Matsushita said an early settlement of the nonperforming loan issue at financial institutions is necessary not only for restoring the system's function and trust but for achieving sustained economic growth.

Global confidence in the soundness of Japanese financial institutions has been shaken by a series of failures of lending institutions, huge bad loans at housing loan companies and the recent revelation of the trading loss scandal at Daiwa Bank.

Matsushita said, "The BOJ strongly hopes a national consensus will be formed on the disposal of collapsed institutions at an early date."

The Financial System Research Council, an advisory body to the Finance Ministry, is now discussing a new safety net for financial institutions, including ways to dispose of losses at collapsed financial institutions, he said.

Matsushita said, "The central bank will continue utmost efforts to maintain the stability of the financial system and restore its function."

The BOJ chief will hold a press conference Thursday afternoon, following the meeting of the managers of 33 domestic branches and three representative offices in New York, London and Hong Kong.

## BOJ Meeting on Economic Conditions Begins

*OW2310020195 Tokyo KYODO in English*
*0113 GMT 23 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 23 KYODO — Branch managers of the Bank of Japan (BOJ) started a two-day quarterly meeting in Tokyo on Monday [23 October] morning to assess regional economic conditions and monetary policy.

The BOJ managers of 33 domestic branches and three representative offices in New York, London and Hong Kong gathered at a tough time for the Japanese central bank.

Global confidence in the stability and health of Japan's financial system has been dwindling rapidly due to a series of failures of lending institutions last summer and the recent revelation of the trading loss scandal at Daiwa Bank.

Informed sources said the BOJ branch managers are expected to assess the economic situation following an array of fiscal and monetary policy measures taken after their previous July meeting to help lift Japan's sluggish economy.

The BOJ slashed its discount rate by half a percentage point to an historic low of 0.5 percent in early September. In late September, the government adopted a record 14.22 trillion yen package of pump-priming measures.

The sources also said market participants are closely watching the BOJ's monetary policy in response to escalating fund-raising costs for Japanese banks abroad amid growing concerns over the soundness of Japan's financial system.

BOJ Governor Yasuo Matsushita will hold a press conference Thursday afternoon, following debates at the branch managers' meeting.

In its quarterly economic outlook report announced last Friday, the BOJ was more optimistic on the course of the economy.

"In July, we pointed out the risk that the economy could slip back into recession in the October-December quarter, but we now judge that the economy's downward risks are retreating considerably," the BOJ said.

## IMF Urges Tokyo To Recover Economic Confidence

*OW2310124395 Tokyo KYODO in English*
*1135 GMT 23 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 23 KYODO — The International Monetary Fund (IMF) expects about 2.2 percent economic growth for Japan in 1996, but to realize such a rate, the nation needs to recover economic confidence and get rid of huge bad loans in the financial industry, the head of the IMF urged Monday [23 October].

IMF Managing Director Michel Camdessus made the call during a meeting with Finance Minister Masayoshi Takemura, a Finance Ministry official said.

Camdessus, who is visiting Tokyo to give a lecture at a conference on the 10th anniversary of the Plaza Accord, paid a courtesy call on Takemura.

The IMF chief told Takemura that the "orderly reversal" of the yen's strength against the dollar should be made to continue so that Japan can realize the "2.2 percent plus alpha" economic growth, according to the official.

The official said Takemura told Camdessus that his ministry would map out necessary measures to cope with the bad-loan problem by the end of this year.

Takemura was quoted as saying efforts to cope with nonperforming loans were making "substantial" progress at major financial institutions, although small and medium-sized ones were having difficulties.

Takemura told the IMF chief that the nonperforming-loan problem would not become worse, the official said.

### Ministry Probes Management's Role in Daiwa Case

*OW2010063395 Tokyo KYODO in English*
*0523 GMT 20 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 20 KYODO — The Ministry of Finance is looking into allegations the top management of Japan's Daiwa Bank took part in the cover-up of irregularities involving a former senior trader at the bank's New York branch, ministry officials said Friday [20 October].

Toshihide Iguchi, the ex-trader, pleaded guilty Thursday at a federal court in New York to six separate charges resulting in the concealment of a $1.1 billion loss over a 12-year string of unauthorized trading in U.S. treasury securities.

Reports from New York said Iguchi told the court that after revealing the loss to bank management officials of New York and Japan in July, he was told to continue selling U.S. securities to meet interest payments on securities until November, when the bank would disclose the loss.

Finance Ministry officials said the allegations, if true, were regrettable.

The ministry has told the bank to submit a report on its investigations into the scandal by the end of this month.

Daiwa Bank denied, meanwhile, that it tried to conceal the scandal.

Bank officials acknowledged, however, that the management told Iguchi to continue selling U.S. treasury bonds "to prevent him from escaping."

They declined to confirm allegations that Iguchi embezzled more than $500,000 for his personal use.

### Daiwa's U.S. Government Bond Sales Investigated

*OW2310124895 Tokyo KYODO in English*
*1218 GMT 23 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 23 KYODO — The Ministry of Finance (MOF) is investigating Daiwa Bank's sales of U.S. Government bonds on three occasions after July 31, in connection with huge losses at Daiwa's New York branch, a top ministry official said Monday [23 October].

The investigation of the transactions reported by the bank is part of an effort to clarify what happened at the branch, Vice Finance Minister Kyosuke Shinozawa told a press conference.

A former trader at Daiwa's New York branch ran up 1.1 billion dollars in losses on off-the-book bond trading, and falsified records to conceal the loss. The trader, Toshihide Iguchi, confessed his wrongdoing in a letter delivered to then Daiwa President Akira Fujita on July 24.

The 44-year-old Iguchi told the U.S. Federal Court in New York that even after the confession, he continued to conceal the loss, under instructions from Daiwa's management.

Shinozawa referred to press reports that said Yoshimasa Nishimura, head of the MOF's Banking Bureau, was told of the scandal by Daiwa on Aug. 8, but had said the timing was too bad to reveal the loss publicly at that time.

Shinozawa said Nishimura was concerned that releasing the information would have worsened an already uncertain financial climate, characterized by business failures and general weakness.

The ministry therefore did not urge Daiwa to reveal the scandal then, Shinozawa added.

### Credit Unions Urged To Improve Risk Management

*OW2010073095 Tokyo KYODO in English*
*0709 GMT 20 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 20 KYODO — Finance Minister Masayoshi Takemura on Friday [20 October] urged credit unions to strengthen their risk management in the wake of a recent series of failures in the industry.

Takemura made the request in a speech read by parliamentary Vice Finance Minister Genichiro Sata at an annual meeting of the central society of credit cooperatives.

Takemura attributed the recent bankruptcies of credit unions to lax management during the speculative "bubble" economy in the late 1980s.

The failed credit unions did not apply strict risk management when they expanded their businesses beyond union members and they placed too much emphasis on loans to a specific industry, he said, in an apparent reference to the real estate sector.

Their management also largely deviated from the principle of mutual aid among credit union members, notably in urban areas, Takemura said.

In light of these circumstances, the Finance Ministry will work out specific measures to enforce on credit unions stricter restrictions on deposits by nonmembers, and to strengthen cooperation between central and local governments to inspect and supervise the unions and improve their auditing systems, he said.

Disclosure of more financial data to secure sound management and ways to share the costs of disposing of failed credit unions are also under consideration, Takemura said.

### BOJ Chief Urges Early Bad-Loan Disposal

*OW2010073195 Tokyo KYODO in English*
*0714 GMT 20 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 20 KYODO — Bank of Japan (BOJ) Governor Yasuo Matsushita on Friday [20 October] called for the nation's credit unions to redouble efforts to dispose of nonperforming loans.

The finance industry has been shaken by a series of failures of credit unions saddled with mounting bad loans, including Cosmo Credit Corp. and Kizu Credit Union.

In a speech read on his behalf by BOJ Executive Director Tatsuya Tamura at an annual conference of the Central Society of Credit Cooperatives, Matsushita also said the industry has to strengthen its risk-management system and improve profitability.

He urged credit unions to promote efforts to restore global confidence in the soundness of Japan's financial system, which was hurt by the huge trading loss scandal at Daiwa Bank.

Matsushita said financial support being provided by the BOJ to collapsed lending institutions is an emergency step before the government establishes a comprehensive scheme for dealing with failed institutions.

The Japanese central bank is extending unsecured special loans to collapsed institutions, including Cosmo Credit and Kizu Credit Unions, to help them meet withdrawal of money by depositors.

The BOJ chief said he hopes a national consensus will be formed on the handling of failed institutions at an early date, based on discussions by a government panel.

The Financial System Research Committee, an advisory panel to the finance minister, is discussing a new safety net for the financial industry, including an expansion of the deposit insurance system and the temporary use of taxpayers' money.

As future tasks for financial institutions to restore the health of their management, Matsushita said it is necessary to strengthen capital bases and improve cash flows by liquidating nonperforming assets.

### Minister Blames Banks for Housing Lenders Debts

*OW2010055895 Tokyo KYODO in English*
*0431 GMT 20 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 20 KYODO — Farm Minister Hosei Norota on Friday [20 October] blamed the founding banks of heavily indebted housing loan companies for arranging for them to extend massive amounts of credit which eventually could not be collected.

At a news conference, Norota, minister of agriculture, forestry and fisheries, said the banks must take responsibility for the crisis facing housing loan companies when a scheme to dispose of their nonperforming loans is to be worked out.

The Finance Ministry has said the amount of loans arranged by the founding banks totaled some 1 trillion yen, accounting for about 10 percent of the total amount of loans extended by the housing loan companies to corporate clients.

The banks arranged such loans by introducing borrowers such as real estate developers to the housing loans companies during the so-called "bubble economy."

When the bubble collapsed in the early 1990s, many of the borrowers defaulted.

Norota's remark disputes the Finance Ministry's stance that funding banks are not responsible for the crisis.

Norota said the Finance Ministry's figure is based on reports submitted by housing loan companies and that the amount of such arranged loans may be bigger if an investigation is conducted into the founding banks.

Over a scheme to liquidate problem loans at Japan's eight housing loan companies, feud is growing strong between their founding banks and banks affiliated with agricultural cooperatives, the largest group of creditors.

## North Korea

### Communique Reports 'Progress' in KEDO Talks

*SK2210123895 Pyongyang Korean Central Broadcasting Network in Korean 1213 GMT 22 Oct 95*

[FBIS Translated Text] Yesterday in New York, a DPRK working delegation and a delegation of the Korean Peninsula Energy Development Organization [KEDO] released a joint communique concerning the status of the on-going negotiations to sign an agreement on providing light-water reactors.

The joint communique mentioned that both sides had been holding the second round of working negotiations in New York since 16 October in order to sign an agreement on providing light-water reactors based on to the DPRK-U.S. basic agreement dated 21 October 1994 and the DPRK-U.S. joint communique dated 13 June 1995. The joint communique pointed out that so far the negotiations had been held in an affirmative manner [kungjongjoguro].

The sides confirmed that some progress had been made on certain important issues concerning the signing of an agreement to provide light-water reactors, and that both sides had agreed to double their efforts to sign an agreement at the earliest possible date.

The negotiations are continuing.

### Second Round of Talks Outlined

*SK2310044895 Pyongyang KCNA in English 0432 GMT 23 Oct 95*

["Joint Press Statement Between DPRK Working Delegation and KEDO " — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 23 (KCNA) — A working delegation of the Democratic People's Republic of Korea and a delegation of the Korean Peninsula Energy Development Organisation (KEDO) on October 21 published a joint press statement on negotiations for signing an agreement on offering light water reactors now under way in New York.

At the joint press statement, the two sides outlined the second round of working negotiations now under way in New York from October 16 for the signing of an agreement on providing light water reactors according to the DPRK-U.S. framework agreement dated October 21, 1994 and the DPRK-U.S. joint press statement dated June 13, 1995, and said that the negotiations have been held affirmatively.

They confirmed that an advance has been made in some major questions related to the signing of an agreement on providing light water reactors, and agreed to double their efforts to conclude an agreement at an early date.

The negotiations continue.

### Reaction to 'Spy's Infiltration' Incident Noted

*SK2310121295 Pyongyang Korean Central Broadcasting Network in Korean 0854 GMT 23 Oct 95*

[NODONG SINMUN 23 Oct commentary: "The Clumsy Drama of Smear Campaign for Insidious Purpose"]

[FBIS Translated Text] The United States and the South Korean puppet clique have recently concocted another anti-Republic drama using a smear campaign called the incident of an armed spy's infiltration. In the wake of this, they are making a row.

The incident in question is that early in the morning of 17 October, the puppet soldiers fired rifles and threw hand grenades at the scene after hearing strange noises near the Bridge of Freedom on the lower Imjin River in Paju County, Kyonggi Province. Later, a dead body was found along with two rifles, a knapsack, and a pair of flippers for infiltration on the spot.

In relation to this, a spokesman of the U.S. Forces Command in South Korea on 18 October babbled to a foreign reporter that it will lodge an official protest to Pyongyang which infiltrated armed personnel to South Korea and that it will soon convene a meeting of the Military Armistice Commission [MAC] to discuss North Korea's violation of the Armistice Agreement.

Prior to this, the South Korean puppets, while raving that they shot to death the armed communist agent who infiltrated the South, made the commotions of a manhunt, search, and check-up by mobilizing large forces and made a fuss saying that they will convene the MAC or a joint duty officers' meeting.

Even if this is considered to be a drama, this is truly a low, cheap comedy. Actually, the southward aggression, infiltration, and so forth are the same old slogan of the United States and the South Korean puppets which is frequently raised by them to justify their fascist suppression and war commotions and to instigate division and confrontation. The recent incident of an armed spy's infiltration babbled by the enemy is nothing but a fiction and is a premeditated and hackneyed drama of a smear campaign which is invented by them at any time whenever they need it.

The recent drama of a smear campaign, a joint work of the master and his stooge, has been invented according to a clumsy scenario. This can be clearly seen from the fact that the master and his stooge are giving different allegations.

According to the foreign media's official reports, the South Korean puppets alleged that a U.S.-made M-16 rifle and a hand grenade with its brand erased were found at the scene. However, the United States contended that the results of the investigation showed that the man as well as his belongings were all from North Korea.

There is a saying that a burglary can be done successfully when burglars are in cahoots with each other. However, they are making different allegations, making it hard to tell the truth from a lie. Considering that they made up this incident by themselves, it is truly clumsy.

The South Korean puppets said that the so-called equipment of the armed personnel who infiltrated [the South], including M-16 rifles, was made in the United States. However, our People's Army does not have any U.S.-made military equipment. There has not been a single incident of our armed personnel who infiltrate the South side's passing over the DMZ.

Those who are engaged in the smear campaign have also insisted that the equipment belongs to North Korea. However, who would believe it if South Korea's puppet Agency for National Security Planning, which is capable of making almost everything, could not make such trifles as flippers and a knapsack?

Raving about the nonexistent infiltration and inspiring confrontation is the stereotyped tactic which the master and the stooge used whenever the people's anti-U.S. struggle for independence is heightened and a crisis in the colonial fascist rule deepened in South Korea.

Now in South Korea, the people are stepping up the struggle daily to get the truth of the 18 May Kwangju incident clarified and to punish the murderers. The struggle is gradually targeted at the United States, the behind-the-scenes manipulator of the Kwangju massacre, and the Kim Yong-sam regime which is protecting and defending the murderers. Therefore, their colonial fascist rule is in a serious crisis.

Meanwhile, the voice is ringing out vigorously at home and abroad denouncing and rejecting the United States and the South Korean puppets that are conducting the "Eagle-95" joint military exercise—a duplicate of the "Team Spirit" joint military exercise aimed at a surprise invasion of our Republic—and extremely aggravating the situation.

Under this environment, the U.S. imperialists and the puppets invented a shocking incident in an attempt to calm down the South Korean people's rapidly intensifying anti-U.S. struggle for independence and antifascist struggle for democratization, to justify their war exercise for northward invasion, and to divert the attention of the people at home and abroad to tide over the crisis in the colonial rule.

Moreover, while inventing the incident, the enemies hurriedly raved in one voice about the violation of the Armistice Agreement, the convocation of a MAC meeting, and the holding of a duty officers' meeting. It is very foolish of them to bring the issue to the armistice mechanism which, so seriously destroyed, has become a mere scrap of paper. Their attempt to revive the old armistice mechanism, a mechanism which can neither be restored nor be revived due to their irresponsible acts, is an absurd act of those who are incapable of keeping abreast of the times so much that even a boiled cow head will laugh heartily.

We cannot help noting the fact that the enemies' smear campaign is timed with the "Eagle-95" joint military exercise which is said to contain a field battle exercise in preparation for the North's infiltration of a commando unit.

Facts show that the United States and the South Korean puppets are trying to use the invented incident of a smear campaign as a shock-therapy to calm down the South Korean people's intensifying struggle for the punishment of those who are involved in the 18 May Kwangju massacre and their aspiration for reunification through alliance with the North, to justify the provocative "Eagle-95" war exercise, and to revive the old armistice mechanism which has now become a mere scrap of paper.

However, this third-rate drama of a smear campaign will never work in a well-informed world today. With this shabby commotion about infiltration, the United States and the South Korean puppets can never deceive the people of the world or hide their aggressive and traitorous nature. Furthermore, they can never do damage to the Republic's high international authority and dignity with such a smear campaign.

The United States had better accept the DPRK-proposed new peace mechanism with a sincere attitude, not disgracing itself by employing a third-rate trick in league with its puppets.

### South 'Must Not Obstruct' Peace Agreement

*SK2210103895 Pyongyang KCNA in English
1017 GMT 22 Oct 95*

["What the Puppets Have To Do" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA) — If the South Korean rulers are interested in the establishment of a peace-keeping system in the Korean peninsula if only a little, they must not obstruct the conclusion of a peace agreement between the Democratic People's Republic of Korea and the United States but support it, say NODONG SINMUN in a commentary today.

The paper says:

The Kim Yong-sam group, if they were a party concerned in the establishment of a new peace mechanism, are claiming that the "setting up of a peace system should be resolved by the North and the South." This is really a nonsense proper to political illiterates ignorant of international usage.

The replacement of the Korean Armistice Agreement with a peace agreement should be resolved by the DPRK and U.S. authorities, the signatories to the Armistice Agreement and the very ones who are capable of guaranteeing peace and security in Korea. It is the height of sarcasm, however, that the South Korean puppets, who are not a signatory to the Armistice Agreement, persistently opposed its conclusion and have not the operational control of the army, are trying to poke their nose into the replacement of the Armistice Agreement with a peace agreement.

What the South Korean authorities have to do is to make substantial efforts to realise disarmament, ease tension and turn the Korean peninsula into a nuclear-free, peace zone in the spirit of the North-South agreement.

### CPRF Denounces 'Foal Eagle 95' Joint Exercise

*SK2310044795 Pyongyang KCNA in English
0423 GMT 23 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 23 (KCNA) — A spokesman of the Committee for the Peaceful Reunification of the Fatherland [CPRF] made public a statement on October 22 denouncing the United States and the South Korean puppets for staging a large- scale joint military exercise codenamed "Foal Eagle 95" and rendering the situation of the Korean peninsula strained.

The spokesman said:

The joint military exercise codenamed "Foal Eagle 95" staged by the U.S. warmaniacs and their stooges in the whole areas of South Korea under the pretext of "defense" is a very offensive drill in view of Armed Forces and combat equipment involved there and the content and form of the exercise and it is aimed at provoking an adventurous war against the North, a replica of the "Team Spirit" nuclear war exercise.

Moreover, it will last one month and more on an incomparably large scale by mobilizing even Armed Forces from the U.S. mainland, and it is being staged at the time when the general situation on the Korean peninsula is extremely intensified with the ever worsening inter-Korean relations. This tells that it is more grave and dangerous exercise than before.

The Committee for the Peaceful Reunification of the Fatherland bitterly condemns the reckless war exercise of the U.S. warmaniacs and the South Korean puppets in the name of all the Korean people, recognizing it as an undisguised violation of the DPRK-U.S. framework agreement and an intentional move to obstruct the peace of the country and its peaceful reunification and ignite a new war at any cost.

If the United States truly want peace and peaceful reunification of the Korean peninsula, it must give up war manoeuvres to meet the demand of the DPRK-U.S. framework agreement and promptly respond to our proposal for establishing a new peace mechanism.

If the United States and the South Korean puppets continue to aggravate the situation of the Korean peninsula, clinging to the war manoeuvres, they will be wholly responsible for all the consequences.

We will never remain an onlooker to the war exercise of the U.S. warmaniacs and the South Korean puppets but sharply watch it with high vigilance.

### South's Scheduled 'Hwarang' War Games Denounced

*SK2210102595 Pyongyang KCNA in English
1011 GMT 22 Oct 95*

["'Hwarang' War Game To Be Held in S. Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA) — The South Korean puppet clique announced that they would stage the "Hwarang" war game from October 23 to December 1, according to a radio report from Seoul.

All the forces of the puppet state organs, the "armed reserves" of the puppet army and "civil defence corps" will be reportedly involved in the war game which will be held in North and South Cholla Provinces, Cheju Island, Kwangju and other places in parallel with the provocative "Foal Eagle 95" manoeuvres.

The scheme of the puppet clique to stage one more war game at a time when they are holding the large-scale "Foal Eagle 95" manoeuvres against the North together with the U.S. troops shows that they do not want peace and peaceful reunification in Korea but intend to find a way out in their aggravation of tensions and confrontation.

## Kim Yong-sam Criticized for 'Absurd Remarks'

*SK2010134995 Pyongyang Korean Central Broadcasting Network in Korean 0854 GMT 20 Oct 95*

[Commentary from 20 October NODONG SINMUN: "Acting in a Drunken and Disorderly Manner After Drinking Only Water"]

[FBIS Translated Text] Without even knowing what he is talking about, the traitor Kim Yong-sam runs amok all the more, engaging in bad-natured talk. Such is the exaggerated talk made by the puppet traitor while granting an interview with the U.S. paper THE NEW YORK TIMES several days ago.

During the interview, Kim Yong-sam enumerated meaningless words, saying the North is not keeping some kind of promise; that the North must stop slandering the South; that there is a possibility of a military provocation; and so on. The groundless talk by Kim Yong-sam, who said we are not keeping a promise we made with them, is completely absent-minded talk.

We have not made any promises with the puppets, and there are no promises to make with them. If there is to be anything, it is to settle a thousand-fold the puppets' antinational, antireunification, and antihumane crime of hurting our painful hearts from which we suffered the greatest misfortune in history.

Why on earth does he complain that we are not keeping some kind of promise? In addition to talk about making promises, Kim Yong-sam is indeed a typical exaggerator who broke his promise to the South Korean people as if he were throwing away an old shoe.

Even though he pledged to institute true civilian-rule, he carried out a more vicious fascist oppressive rule than the former military dictatorship; even though he exaggerated that he would devote himself to reunification if he obtained leadership, he changed into an enemy of reunification in just one day. This fellow is no other than Kim Yong-sam. He should reflect on his crime of having deceived the people through many false pledges and false promises. Why is he preposterously talking about a nonexistent promise, finding fault with someone else?

Kim Yong-sam's spiritless speech and behavior, acting unreasonable without even knowing what the word promise means, only evokes the people's ridicule and criticism.

The babble by the traitor Kim Yong-sam that the North must stop its slander against the South and so on consists merely of false accusations and is a provocation against us.

We would like to ask Kim Yong-sam if he knows what slander is. What we say to the puppets is not slander. It is a stern and convicted denunciation as well as justified criticism that is filled with all the grudge and anger of the nation and people, directed toward the treacherous group who sells the country and nation to outside forces; who wield knives against the people; and who prevent the country's reunification.

If it hurts to get hit, then one should not do things that are bad. Slander and defamation are the exclusive possession of the puppets. The traitor Kim Yong-sam viciously defames and slanders us whenever he opens his mouth. Dissatisfied with preposterously slandering and defaming his fellow countrymen in South Korea, the puppets even went to the arena of the UN General Assembly and carried out an antirepublic play. What else is there to say?

Nevertheless, they tell us to stop our slander. This is indeed the culmination of being brazenfaced. If Kim Yong-sam moves his light and talkative mouth as he now does, then his word will be mistrusted by fair public opinion at home and abroad. Thus, he must be careful with his words.

The traitor Kim Yong-sam talked about the possibility of a military provocation by the North and so on. This is a brazen-faced speech and behavior, like a thief yelling thief.

The world officially recognizes that we are making all kinds of sincere efforts for the country's peace and peaceful reunification. Nevertheless, the puppets babble that we are scheming for a military provocation. This is unspeakable.

The ringleader who schemes for a military provocation on the Korean peninsula is no other than the Kim Yong-sam ring. Even now, the warmongers and outside forces are holding the "Foal Eagle-95" war exercise, which is a duplication of the "Team Spirit" nuclear war exercise to invade the North, thus driving the country's situation to the brink of a very dangerous war.

People the world over correctly look at who truly wants peace and peaceful reunification, and who wants war and perpetual division on the Korean peninsula.

Just like acting in a drunken and disorderly manner after drinking only water, the traitor Kim Yong-sam blows the bugle of his antirepublic scheming propaganda, claiming provocations from the North and so on, but no one will listen.

Because of having committed an imperishable, great crime before the country and the nation which can never be forgiven, the traitor Kim Yong-sam is the first target for overthrow by the people. Therefore, he is trying to find a way to live by all the more strengthening the antirepublic confrontations and the maneuvers to provoke a war. The preposterous criticism and slander against us, and the absurd remarks by the puppet traitor which is weaved in slander, are one such link.

The day for the traitor Kim Yong-sam, who runs amok in a commotion of antirepublic confrontation, to go to the world of the dead is not far off [pangonghwaguk taegyol sodonge michodoraganun kimyongsam yoktoga chosunge kallarun molchianatta].

### Pak Song-chol Addresses Nonaligned Conference

*SK2110143495 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 21 Oct 95*

["Full text" of speech by Pak Song-chol, DPRK vice president and head of the DPRK delegation to the 11th summit conference of the nonaligned countries, delivered at the first day session in Cartagena de Indias, Colombia, on 18 October]

[FBIS Translated Text] Your Excellency, chairman, heads of state, and governments, and delegates:

Under the authorization of Comrade Kim Chong-il, the respected and beloved supreme leader [choego yongdoja] of our people, I convey his warm congratulations and friendly greetings to the heads of state and government, and delegates to the 11th summit conference of the nonaligned countries.

I express my sincere congratulations to the election of His Excellency, the honorable President Ernesto Samper Pizano as the chairman of the summit conference, and my respects to the government of the Republic of Colombia, that is exerting many efforts for a successful conference.

The nonaligned movement is an independent political force that has greatly influenced the development of international relations. Since the 10th summit conference of nonaligned nations, member states of the nonaligned movement have actively made efforts and significantly contributed to implementing mankind's cause for independence. The current development of the international situation proves that the evaluation of the Jakarta summit conference was correct. Following the end of the Cold War, the international political situation and international relations saw a series of positive changes. The atmosphere has matured for peace and detente, and there have been more efforts than ever to resolve international issues through dialogue and negotiations.

On the contrary, the unipolar trend emerging in today's international arena is actually threatening the true independence of countries, as well as their sovereignty, equality, territorial integrity, and noninterference in each other's internal affairs. Unrest, instability, and international disputes in many regions are creating great anxiety among the world's peace-loving people. A number of powers are strengthening their control, subjugation, aggression, and interference in other countries using all possible means, including nuclear weapons, military blocs, money, and bourgeois culture. Nonaligned and developing countries are their first targets and sacrifices.

The environment for development is worsening in the nonaligned countries, and the gulf between rich and poor is deepening internationally. The South is being alienated further toward the edge. Facing the complicated domestic and international situation and the serious changes taking place in the international arena, our movement demands that we reconfirm the validity and appropriateness of the principles and objectives of the movement, and strengthen control as well as the role of principles.

Recognizing the importance of further strengthening the nonaligned movement of the century, the DPRK delegation declares the following as its position:

First, we acknowledge that the unity and cohesion of the nonaligned movement should be further strengthened. In order to strengthen the unity and cohesion of the nonaligned movement, we should firmly adhere to the basic principle and ideology of the movement. The ideology and principle of the nonaligned movement is the guidance that leads to the correct direction for the development of the movement, as well as a strong ideological basis that firmly unites the ranks in one.

Maintaining the united political force of the movement importantly depends on adhering to the basic ideology and principle of the nonaligned movement. The nonaligned movement cannot drift away from its basic principle and ideology of the movement because of the end of the Cold War and the many changes occurring to the international situation and relations. The movement cannot be merged with other groups or change its character. The nonaligned countries should uplift the banner of unity and staunchly struggle to oppose any attempt to change the political nature of the movement or modify the track of the activities.

Strictly following the rule of relations between the nonaligned countries is an important demand for the unity and cohesion of the nonaligned movement. Nonaligned countries are all equal member states of the nonaligned movement, jointly contributing to mankind's cause for independence. The principle of complete equality, sovereignty, mutual respect, and noninterference in each other's internal affairs is the rule of relations between countries.

All nonaligned nations should observe the principles. Nonaligned nations should respect one another and try to maintain friendly and cooperative relations with one another on an equal basis. It is harmful for nonaligned nations to be hostile to and fight with one another, being cheated by outside forces' maneuvers to split and alienate nonaligned nations, or to support one side of the parties in dispute, from a biased viewpoint. It will only bring about grave consequences of weakening the nonaligned movement.

When increasing the rank of the movement, it is important to thoroughly observe the admission guideline and to pay careful attention to this in order to strengthen the unity and cohesion of the nonaligned movement. What countries join the nonaligned movement is an important question that concerns the fate of the movement. If [illegible] countries that want to join the movement are admitted without due regard to admission guidelines, the movement will be complicated and its unity and cohesion will be damaged. Accordingly, the door to the nonaligned movement should be opened only to independent, peace-loving countries that practice a nonalignment policy.

In this regard, we recognize that the ongoing nonaligned nations' summit meeting should clarify the respective eligibility of a member nation, an observer, and a guest of the nonaligned movement and develop measures to strictly observe the procedures and norms for participating in the movement, as well as the principle on consenting to the date of admission. Second, we recognize that nonaligned nations should keep in step with joint strategies in the international arena, such as that of the United Nations, and should further strengthen support to and solidarity with one another.

With its strategy on unity, cohesion, and solidarity, the nonaligned movement has defended itself, smashing the reactionaries' maneuvers to split and estrange nonaligned nations and their strategy to swallow up small nations, one by one.

As clarified in the 10th nonaligned nations' summit meeting, the establishment of a new and fair international order is a main goal and a joint strategy of the nonaligned movement in this age following the end of the Cold War. The nonaligned movement should play a more active and effective role to establish a new international order on the basis of equality, justice, and fairness.

Realizing arms reduction, protecting peace and security in the world, putting an end to disputes, and democratizing the international community are important things for which nonaligned nations must keep step with joint strategies. First of all, arms reduction, especially nuclear disarmament, must be realized comprehensively and completely.

Only nuclear disarmament, the removal of mass-destruction weapons, and worldwide and regional arms reduction can guarantee durable peace and security in the world. Nonaligned nations should wage a joint struggle to abolish all nuclear weapons and mass-destruction weapons on our planet and create nuclear-free zones, peace zones, in many regions of the world.

We recognize the necessity of a special session of the United Nations for discussing arms reduction and the need for an advance high-level nonaligned nations' meeting to coordinate the positions and opinions of the nonaligned movement's member nations on this issue.

Now we see disastrous scenes in which people are bleeding and national assets are being damaged in some nonaligned nations over regional, religious, and racial disputes. All parties in dispute should peacefully solve all problems in accordance with the interests and peaceful cause of both sides.

In the current times, nonaligned nations should also pay attention to reforming the structure of the United Nations and democratizing the United Nations. As the number of nonaligned nations occupies two-thirdsof the United Nations, the nonaligned nations' opinions and interests must fully be reflected in reforming the United Nations. Any reform of the United Nations that excludes the interests of nonaligned nations cannot be accepted.

In increasing the number of member nations to the United Nations Security Council [UNSC], the historic and ethical aspects of a country that applies for UNSC membership must be taken into consideration. The country that refuses to make a full apology and provide compensation for its past crimes after bringing disasters and sufferings to mankind, is not eligible to be a permanent member of the UNSC.

The veto right of the UNSC members is a holdover from the Cold War and a basic obstacle to the democratization of the United Nations. Therefore, the current veto system must be abolished.

The nonaligned countries must never allow the monopoly, tyranny, and exercise of privileges of some countries, but must thoroughly oppose and reject such unfair and unreasonable acts as applying double standards in international relations. Current international relations not only reduce the people of developing countries to economic slaves of the rich and the developed North, but even threaten their national sovereignty and independence, which they have won with their blood.

We must resolutely reject the attempt by some major countries to impose their specific political and economic models and ways by attaching harsh conditions to their offer of cooperation and assistance. We must also collectively resist all intervention maneuvers, which they pursue under the pretext of so-called democracy and human rights.

We acknowledge that the UN Development Program must contribute to solving the problem of poverty in developing countries, to narrowing the North-South gap, and to holding a comprehensive North-South dialogue. Today, the people of the nonaligned countries are vigorously waging a struggle to reject all forms of rule and intervention, to defend national sovereignty and independence, and to achieve national stability and economic development.

Taking this opportunity, we extend positive support and encouragement to the Asian people's struggle to build a new independent and prosperous Asia. We also extend firm solidarity with the just struggle of the Palestinian and Arab people to comprehensively and fairly solve the Middle East problem. We support the righteous cause of the people of Africa, Europe, North America, and the Caribbean for peace, stability, and development.

The year 1996 will mark the 35th anniversary of the inauguration of the Nonaligned Movement. We think it is necessary for the current summit conference to adopt appropriate decisions in order to hold commemorative functions to make the 35th anniversary of the inauguration of our movement an important occasion for maintaining the movement's principles and characters and for strengthening unity and cohesion within the movement.

Third, we acknowledge that the nonaligned countries must accelerate the promotion of South-South cooperation and must establish South-South economic order among the developing countries in compliance with the requirements of the new situation. Today's reality, in which the international economic situation has changed unfavorably toward developing countries, calls for comprehensively expanding and developing South-South cooperation and establishing South-South economic order among the developing countries.

The member countries of the Nonaligned Movement must positively develop South-South cooperation based on the principle of collective self-reliance; must positively explore efficient ways to pool resources, technology, and experiences in the South and implement them; and thus, must expand the scope of cooperation.

South-South economic order is an example of the fairest and most equal international economic order, and will open a decisive phase in establishing international economic order by enhancing the South's capability to resist and negotiate with the North.

We stress that this summit conference must adopt a platform for action to encourage regional and semiregional economic cooperation and integration; must map out a comprehensive strategy to reasonably coordinate interregional cooperation; and must positively promote and organize South-South cooperation worldwide.

Delegates: our Republic, as a member of the Nonaligned Movement, has strengthened unity and cohesion in the Nonaligned Movement, has been faithful to the movement's sacred ideals and principles, and has made every effort to consolidate and develop the movement.

The great leader Comrade Kim Il-song, who had earlier paid deep attention to the Nonaligned Movement, engaged in sleepless and restless efforts to strengthen and develop the Nonaligned Movement throughout his life, and carried out energetic activities toward that end. The great achievements of the respected and beloved leader Comrade Kim Il-song will be eternally cherished deep in the hearts of the DPRK people and the people of the nonaligned countries, and our leader [suryong] will enjoy eternal life with the Nonaligned Movement.

Taking this opportunity, as authorized by General Kim Chong-il, the respected and beloved supreme leader [choego yongdoja], I express my deep thanks to the heads of state, heads of government, and people of the nonaligned countries who expressed deep condolences on the death of the great leader President Kim Il-song, who made an extraordinary contribution to strengthening and developing the Nonaligned Movement and to carrying out mankind's cause of independence.

Today, the great leader Comrade Kim Il-song's cause is being brilliantly inherited and completed by General Kim Chong-il, the respected and beloved supreme leader of our people.

Respected and beloved Comrade Kim Chong-il is the supreme leader of the DPRK and the supreme commander of its revolutionary Armed Forces. The great leader [yongdoja] Comrade Kim Chong-il has won the high respect and absolute trust of our people because he possesses literary and military accomplishments, loyalty and devotion, and the traits of the people's leader [yongdoja].

The respected and beloved General Kim Chong-il has energetically led the overall work of our party, state, Armed Forces, and diplomacy, and has devoted himself to achieving the sound development of the Nonaligned Movement and to enhancing its position and role over 30-odd years. Under the wise leadership of the respected and beloved supreme leader Comrade Kim Chong-il, our people, in the future as in the past, will strengthen unity and cohesion within the Nonaligned Movement and will positively contribute to implementing this movement's noble ideals and principles.

The legacy of the Cold War still remains on the Korean peninsula, and our fellow countrymen have suffered from division and misfortune for over a century. Korea's division, which began in the 1940's, continues today, with the 21st century just around the corner. This is an intolerable tragedy of history.

From the first day the nation was divided, the respected and beloved leader Comrade Kim Il-song elucidated in detail the principles and ways for peace in the country as well as its peaceful reunification, and made every effort to implement them until the last moment of his great life.

Under circumstances in which different ideologies and systems exist in the North and South of Korea, the fatherly leader [suryongnim] advanced a confederation proposal for reunifying the country based on the principle that neither the North nor the South will engulf, or will be engulfed by, the other. The government and people of our Republic are making every sincere effort to achieve reunification through a confederal system based on the formula of one nation and one country, two systems and two governments.

The reunified state, in which the two regional governments of the North and the South would participate on an equal footing, will conduct a neutral policy as its external policy, and will systematically ensure peace without the intervention of the major countries. An immediate problem that must be solved on a priority basis in reunifying Korea is to turn the current armistice into a new peace mechanism. This is part of the Nonaligned Movement's joint struggle to remove the legacies of the Cold War.

We gave priority to establishing a peace mechanism between the North and the South, and adopted the Agreement on Reconciliation, Nonaggression, Cooperation, and Exchange Between the North and the South in December 1991. All the North and the South need to do is put this peace mechanism into operation.

What is left to be done is to establish a new peace mechanism between us and the United States, who is a party to the Korean Armistice Agreement and who has the prerogative of supreme command of the armed forces in South Korea.

As for the overall problems of ensuring peace on the Korean peninsula, there are problems that must be solved between the North and the South, and there are other problems that must be solved between the DPRK and the United States. If a new peace mechanism is established between us and the United States, the situation on the Korean peninsula will fundamentally improve in compliance with the international trend toward detente, which will favorably affect Korea's reunification.

If the DPRK and the United States make joint efforts based on trust, they will be able to solve problems on the Korean peninsula. This is well shown by the course of our solving our so-called nuclear problem. The DPRK and the United States adopted a basic agreement in Geneva last December, and have been taking practical measures to implement the agreement. The problem of establishing a peace mechanism on the Korean peninsula can be easily solved if the United States assumes a sincere attitude, just like it did when it was solving the nuclear problem with us.

We are grateful that the governments of all nonaligned countries support our people's cause of peace on the Korean peninsula as well as the country's peaceful reunification, and we express our expectation we will positively achieve solidarity.

Our delegation makes it clear that it will positively cooperate with representatives of all member countries to make the summit conference an important occasion in order to successfully discuss all agenda items and thus further strengthen the unity of the Nonaligned Movement and enhance its ability for taking action. Thank you.

### PRC Defense Minister Congratulates Choe Kwang

*OW2010234095 Pyongyang KCNA in English 1520 GMT 20 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 20 (KCNA) — Chi Haotian, vice-chairman of the Central Military Commission of the Communist Party of China, state councillor and minister of national defence, sent a message of greetings to Choe Kwang on his appointment as minister of the People's Armed Forces of the Democratic People's Republic of Korea.

The message said that China and Korea are the friendly neighbouring countries and the friendship between the two peoples and the two armies was established in blood in the prolonged struggle against the common enemy.

It hoped the traditional friendship between the two countries and the two armies would continue to consolidate and develop.

### Founding Anniversary of WPK Celebrated Abroad

*SK2010105395 Pyongyang KCNA in English 1021 GMT 20 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 20 (KCNA) — Meetings, photo exhibitions and other celebrations were held in Madagascar, Nepal, Pakistan, Denmark, Guyana, Togo, Syria, Russia, Jordan, Mongolia, Ethiopia and other countries on the occasion of the 50th anniversary of the Workers' Party of Korea [WPK].

Speeches were made at the celebrations.

Andriantiama Rakutuvau, president of the Party of the Congress for the Independence of Madagascar, in his speech said:

The Workers' Party of Korea founded by the great leader Comrade Kim Il-song is the most authoritative, revolutionary and popular party in the world, guided by the immortal chuche idea.

The WPK has been further strengthened organizationally and ideologically under the outstanding guidance of the great leader Comrade Kim Chong-il, who is creditably carrying forward the revolutionary cause of the great leader Comrade Kim Il-song. The WPK is respected by the progressive people of the world as an ever- victorious revolutionary party, the most popular party.

Betty Frydensbjerg Carlsson, chairperson of the Communist Party of Denmark, in her speech said that the Workers' Party of Korea is now leading the struggle for the freedom, rights and interests of the international working class and actively encouraging the struggle of communist and workers' parties and other progressive political parties of different countries.

Dama Dramani, general secretary of the Togolese People's Rally, in his speech stressed that as His Excellency Kim Chong-il, the great leader, is leading the Workers' Party of Korea, its future is bright aid the Korean people will surely emerge victorious in the struggle for national reunification and accomplishment of the socialist cause under the leadership of the party.

Messages of greetings and congratulatory letters to Comrade Kim Chong-il were adopted at celebrating meetings.

### Relief Group Solicits Flood Aid

*SK1810004595 (Internet) Campaign To Help North Korean Flood Victims WWW in English 17 Oct 95*

["Fax" from Bernard Krisher, chairman of "American Assistance to Cambodia and Japan Relief for Cambodia" located in Tokyo, Japan, to the Flood Damage Rehabilitation Committee of the Democratic People's Republic of Korea; dated 26 September 1995]

[FBIS Transcribed Text] Dear Sirs & Madam:

I am pleased to inform you that the Internet page to seek support for the flood relief victims is receiving some publicity. Kyodo News Agency sent out a story in English and Japanese. CNN ran the Internet address for the page on its major news broadcasts last night, THE WASHINGTON POST, SAN FRANCISCO CHRONICLE, SEATTLE TIMES, NORTH CAROLINA NEWS & OBSERVER and the INTERNATIONAL HERALD TRIBUNE mentioned it in stories on 9/22, and AFP sent out a story on 9/25. THE FINANCIAL TIMES is expected to run a story in its Monday edition. Several Japanese newspapers, including the TOKYO SHIMBUN and KANAGAWA SHIMBUN ran stories.

Meanwhile, I am organizing in parallel a winter clothing collection campaign here in Tokyo and have also contacted the Italian clothing chain, Benetton, in Italy, to try to persuade them to organize such a collection campaign throughout Europe and sponsor a train delivery originating in Paris to Moscow, Khabarovsk, Shenyang and Sinuiji. If they do not go along with my proposal, I will try some other potential sponsors in Europe. I will keep you informed.

I cannot guarantee anything but am aiming to set a goal of $1 million in cash or goods in kind donations to purchase drugs and blankets. We are also getting other networks within the Internet to incorporate the page into their systems so we should have a very wide audience within a week. The beginning is slow but I believe it will pick up.

On the Internet "home page" we have allotted a section which will be titled "Letters from Pyongyang" where we will carry your messages to us and any KCNA or other stories you may wish to forward. I suggest you write us often, and provide us with news of the flood victims as it will be a channel for the international media and charitable organizations desirous of helping you to access and read news about the ongoing situation.

If the clothing drive in Japan brings in substantial donations I would like to request your cooperation in helping us in the following way:

Could you arrange a contact for me at the Assn. of Korean Residents in Japan who could help us with transportation of such donations from Tokyo to Niigata and allow these donations to travel separately on the ship from those collected by your Korean community here. It would be effective in successfully organizing a continuing collection if our donations could then be put together on the ship which goes from Niigata to Wonson and for one or two representatives of my group (myself or a member of the Krisher family) to accompany the shipment and hand it over to you and/or UN representatives in Wonson or Pyongyang and obtain a receipt. It would be even more effective for the success of this campaign if a member of your group or myself could visit one of the afflicted areas and participate in the distribution. I realize this may be unprecedented but this is the way relief activities usually are conducted in other countries hit by a disaster. They include representatives of the donor organization and it is a most effective way to encourage people overseas to continue their support. Donors like to be involved, they like to witness what their good will is accomplishing and they often lose interest when they don't exactly know or see what is happening to their donations.

It is also very effective to personalize the situation. In the case of Kobe, international support was so great, even though Japan could have managed to support the crisis itself, because the media personalized the victims, describing individual cases of loss and suffering, the effect on families, children, etc. Again, I know this is not the way you do things, but a profile on a family or the child depicted in the photo we are running on our Home page (the little boy standing in front of his destroyed home), can effectively get people to respond. What is his name? Can we learn something about his family? What their life was like before and what is it like now?

I do not wish to press my ideas on you as you have your own policy and customs but I just wish to suggest how other campaigns have worked in other countries when such a disaster hit.

Apart from the plan to try to deliver warm winter clothing collected in Japan through Niigata and Wonson, we are also studying the route through the train from Beijing and I am contacting the Chinese Embassy in Tokyo for their cooperation should contributions be delivered on this route.

I look forward to your further communications and information which we will readily place on the Internet page.

I extend my warmest wishes to all the flood victims and pray for their comfort and good health.

Sincerely yours,

[Signed] Bernard Krisher
Chairman

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### Daily Elaborates on Faith, Sense of Obligation

*SK2210012395 Pyongyang Korean Central Broadcasting Network in Korean 0615 GMT 12 Oct 95*

[NODONG SINMUN 12 October special article: "Faith and Sense of Obligation Are Our Life"]

[FBIS Translated Text] We are the people who are carrying out the revolution. The vanguard fighters who should consummate to the end the chuche revolutionary cause while holding aloft the red flag of the revolution and being firmly rallied around the great leader [yongdoja] Comrade Kim Chong-il, are none other than our chuche-type revolutionaries.

For those of us who should cross burning rivers and fight our way through swampy roads, what should be invariable is our revolutionary faith, and what should not be renounced is our revolutionary sense of obligation.

The noble life of chuche-type revolutionaries and the main secret of the Korean revolution which is advancing victory after victory by breaking through all sorts of difficulities, lie precisely in sharing in the destiny of the great leader [yongdoja] while treasuring faith and obligations, more preciously than life.

1. Our chuche-type revolutionaries have traversed the long way of the revolution, following the great leader [suryong] and the great leader [yongdoja]. This path embroidered with the chronicle of a heroic epic, has been the great school for our revolution.

While traversing the arduous road of the revolution, revolutionaries of chuche-type have experienced everything that revolutionaries can experience and have undergone all things that human beings can undergo. During this course they have mastered a genuine view on life reguarding how revolutionaries should live.

We, who are carrying out the revolution, do not want to lead the insignificant and ordinary lives of ordinary human beings.

We want to lead a valuable, noble life even if we are to live for just one day. We also want to end our life with honor. Noble life and valuable and honorable death! This is the supreme life goal of our chuche-type revolutionaries.

The great leader [yongdoja] Comrade Kim Chong-il has indicated: Man should lead a noble life and die with honor. Noble life and noble death are to devote all to the party and the leader [suryong] to struggle and die on this road.

For human beings, life is noble. Everyone is given only one life, and encounters death only once. Man comes to face the serious issue of how he is to live and die in the course of his life.

Those who carry out the revolution cannot live even for a moment apart from the revolution. Those who find the value of life and all happiness from the road of the revolution, are precisely revolutionaries, and devoting youth and life on this road is precisely the course of the human lives of revolutionaries.

The revolution is the cause of justice, and revolutionaries are the fighters of justice who are devoting their all to this cause.

For revolutionaries, there is no more valuable, noble, and rewarding life than to fight for justice. It is the life of revolutionaries and the death of revolutionaries to lead a noble life on the road of the revolution and to die honorably on this road. Because of this, the life of revolutionaries differs basically from the life of ordinary people.

Valuable life and valuable death are the heroic life and heroic death devoted to the revolutionary cause which is led by a revolutionary leader, whose struggle, devoting youth and life, to safeguard and defend the leader. Noble life and noble death are the most noble life that human beings can lead and the end of the most clean life.

This can only be found in genuine revolutionaries who uphold the leader [yongdoja] of the revolution with faith and a sense of obligation.

For revolutionaries, the leader [yongdoja] of the revolution is the supreme brain of the social and political organism. The destiny of revolutionaries is closely linked with the leader [yongdoja] as one life. Revolutionaries are to receive their noble political life in the bosom of the leader and are to traverse the genuine road of the revolution.

The destiny of the leader [yongdoja] is the destiny of both the revolution and of the revolutionaries. If there is no leader [yongdoja], there can be no revolution, and the life of the revolutionaries will also end. Those carrying out the revolution come to bear in mind the faith of having absolute faith in and following the leader [yongdoja] from the experience of their practical life, and have a sense of obligation to repay the leader's [yongdoja] love and benevolence.

The faith and sense of obligation toward the leader [yongdoja] of the revolution is truly the life line of a revolutionary. Revolutionary faith — this is a high principle that must defend to the end the dignity and honor of a communist revolutionary while on the road of the revolution, led by the leader [yongdoja], and is an indomitable revolutionary spirit that advances without the slightest delay according along the road as taught by the leader [yongdoja]. A revolutionary sense of obligation — this is a clean communist conscience to repay the leader's [yongdoja] benevolence without ever forgetting it, and is a lofty ideological sentiment to share the fate of the leader [yongdoja], whether it is good or bad.

Those carrying out the revolution can have absolute faith in and can defend the leader [yongdoja] with a do-or-die spirit when these two spiritual pillars exist, and can enjoy a worthwhile life along this road.

A revolution is a fierce class struggle. In essence, it is a struggle to highly uphold, safeguard, and defend one's leader [yongdoja]. To obliterate the revolution, the enemies are directly and indirectly maneuvering in the plot to harm the headquarter of the revolution. To carry out the revolution, to always uphold the leader [yongdoja] with faith and a sense of obligation, to turn their greatest attention toward the leader's [yongdoja] fate, and to safeguard the leader [yongdoja] are regarded as the most lofty demands of life. Here, where the headquarter of the revolution is safeguarded, lies the most important life of a revolutionary.

There is no more lofty life for a revolutionary than the struggle to uphold, safeguard, and defend the leader [yongdoja], and there is no more lofty ideological sentiment than the faith and sense of obligation manifested along this road. To live a worthwhile life as a revolutionary, we must devote our lives to the cause of justice by following the leader [yongdoja]; to die in a worthwhile way by struggling for justice, we must willingly sacrifice our life. As a result of this, the life of revolutionaries is not only lofty in its idea and goal, but the struggle itself is great, and the faith and sense of obligation manifested there are all the more beautiful and noble.

The long history of our revolution shows that here, where their leader [suryong] and their leader [yongdoja] are upheld and safeguarded with faith and a sense of obligation, lies a worthwhile life. There were ardent revolutionaries like Comrade Kim Hyok who jumped from a three-story house, wholeheartedly singing the song "Star of Korea" on the chronicle of the chuche revolutionary cause; there were loyal fighters like Comrade O Chun-ok who unhesitatingly fought, devoting his life for the safety of the respected and beloved comrade commander; and there were indomitable fighters like Comrade Ma Tong-hui who bit off his tongue under torture to keep his secrets. In addition, there were many heroic fighters like hero Yi Su-pok who sacrificed his precious youth and life during the fatherland liberation war by blocking the enemy's blazing gun muzzles. They are true heroes who were given birth to by the Korean revolution, and who lead a worthwhile life and died valuably to safeguard the revolution's leader [yongdoja].

Truly, what made the chuche-type revolutionaries fight, sacrificing everything to safeguard the leader [yongdoja] of the revolution with a do-or-die spirit? This is the faith and sense of obligation of having absolute trust in the leader [yongdoja] and repaying that benevolence. Without exception, true revolutionaries of Korea possess the incarnation of faith and a sense of obligation. They do not turn their backs on faith along the road of safeguarding and upholding their leader [suryong], even when under the worst situations, and do not taint even a bit of their sense of obligation.

Since their faith was thorough and a sense of obligation strong, the anti-Japanese revolutionary fighters went to the battlefield smiling since it was for the great General Kim Il-song's welfare; they breathlessly called "Long live General Kim Il-song!" while disappearing up the scaffold; and they were able to foresee tomorrow's victory by being optimistic about the future, saying they can see victory in the revolution even when they lost both eyes.

The revolutionaries of Korea were able to willingly sacrifice their lives, because they realized that it is much worth living for the cause for justice — even though they die after living one day — rather than maintaining a dirty life by abandoning their principle. How can we compare their life, who lived with faith and a sense of obligation, with that of those who worthlessly lived for one hundred or one thousand years?

The revolutionaries should create a precious life. The ray of sun evenly illuminates all things, but plants produce fruits and flower differently, even if they are of the same kind. This is not only the principle of nature. People differ in enjoying and glorifying their lives, even though they carry out the revolution under the bosom of the leader [yongdoja].

The road upon which the revolutionaries are embarking is not even. Obstacles and vicissitudes can exist on the road to the revolution in which we should even sacrifice our lives. Sometimes, they can be the bloody battlefields in which we confront with enemies at the risk of our lives, or prisons and gallows to bend revolutionaries' principle and faith. On this road, if they keep faith and a sense of obligation, their life and death are valuable, but if they abandon them, their life and death are worthless and dirty.

As elucidated in the great leader's memoir, (Yim Susan), who followed the anti-Japanese guerrilla unit in the past, surrendered to the enemies and committed all kinds of bad acts and, later, was killed by their hands. How dirty his life and death were! Once, he served as the chief of staffs of the Army division, as well as had a high sense of vitality and knowledge for the revolutionary struggle. The revolutionaries can disregard their life, but they cannot abandon faith and a sense of obligation. However, he had no such faith and sense of obligation.

Because he had no faith in living on the single road of the revolution led by the leader [yongdoja] when he lived; because he had no faith that he would die by safeguarding the leader [yongdoja] when he died; and because he abandoned a sense of obligation like old shoes, he had no choice but to embark upon the dirty road of life in the long run, failing to overcome difficulties and trials.

The faith and sense of obligation are the touchstones that distinguish real revolutionaries from false revolutionaries. Originally, the faith and sense of obligation are based on the absolute conviction that if the leader [yongdoja] is great and if we follow him, we will surely win victory.

Revolutionaries who regard the faith and sense of obligation as the lifeline should go through fire and water if it is for the protection of their leader [yongdoja], create something from nothing on the road of imparting the leader's ideology and intent to the people, and turn misfortunes into blessings, thus displaying their boundless might.

The invincible and ever-victorious revolutionary spirit and the strong will originate from the faith and sense of obligation. The firm principle of the revolutionaries, who will never change under any situations, are based on the faith and sense of obligation.

Historic lessons show that if there is no faith and sense of obligation, we cannot resolutely safeguard the leader in a difficult situation, even if we can follow him in a comfortable situation. On many occasions, we have seen many people — who shout hurrah in a normal day — separating from each other and seeking a way to live when they face difficult situations, betraying the party.

When the faith and sense of obligation are strongly forged in the hearts of revolutionaries, revolutionaries can bravely embark upon the single road of the revolution, sharing their fate with their leader. Also, they can live and die valuably. This is the historic sum of the Korean revolution and international communist movement.

2. Today, our revolution has entered a new developing stage. Our revolution demands more than ever that the chuche-type revolutionaries fight on with faith and a sense of obligation deep in their hearts. Our revolution is facing a great historical turning point. Although the fatherly leader, the great pioneer of the chuche cause, has left us, the Korean revolution is advancing on the straight road of victory. Respected and beloved Comrade Kim Chong-il is leading the historical struggle.

Great Comrade Kim Chong-il. He is a sagacious leader [yongdoja], who brilliantly inherits and completes the revolutionary cause of the fatherly leader, a great teacher, and a benevolent father to all of us. Thanks to the respected and beloved Comrade Kim Chong-il, we have our destiny and future, the victorious advance of the chuche cause, and a brilliant future of the socialist fatherland. The song "Without You, There Is No Fatherland" literally reflects our people's unanimous aspiration and will.

The faith and sense of obligation of our chuche-type revolutionaries are lofty ideologies and emotion emerged from the deep awareness of the greatness of respected and beloved Comrade Kim Chong-il. Upholding the great leader [yongdoja] and sharing the destiny of life and death with the leader [yongdoja] are our valuable life, faith, and sense of obligation. The struggle to defend the center of leadership and cohesion was and is the first life of our chuche-type revolutionaries. This is a struggle to defend the leader [yongdoja] and the revolution, to safeguard the revolution and our-style socialism, and to glorify the dignity and honor of revolutionaries.

Today, when the imperialists' antisocialist maneuvers are continuing and the class struggle is being deepened, we cannot neglect a moment of the lofty struggle. The proud history of our revolution and the serious lesson from the international communist movement teach us that faith and a sense of obligation are most important in sharing the destiny of life and death with the leader [yongdoja] of the revolution.

The single-hearted unity, which is the basis of the revolution, is solidified and developed by faith and a sense of obligation; the victorious advance of the revolution and construction is guaranteed by the might of faith and a sense of obligation; and faith and a sense of obligation are the invincible weapons that smash the imperialists' antisocialist maneuvers. In order to glorify our era led by the great leader [yongdoja] Comrade Kim Chong-il with a valuable life, we should value and maintain faith and a sense of obligation to the end.

Today, our party members, officers and men of the People's Army, and all youth and people are raising high the revolutionary slogan calling on us to become rifles and bombs that defend the respected and beloved Supreme Commander Comrade Kim Chong-il. The slogan is a slogan of faith and a sense of obligation springing from the deep understanding of the leader's [yongdoja] greatness.

Let us maintain faith and a sense of obligation as the eternal lifeline and vigorously fight on. This is the voice from the hearts of our chuche-type revolutionaries of today, as well as their eternal motto.

The great leader [yongdoja] Comrade Kim Chong-il pointed out: Once taken, the oath to keep faith and a sense of obligation should be maintained to the end.

The faith and sense of obligation of our chuche-type revolutionaries are thorough. Thorough faith and sense of obligation mean to acknowledge and follow only one's leader [yongdoja]. There is only one leader [yongdoja] in the revolutionary struggle. It is the leader [yongdoja] who presents the guiding ideology, leads the revolution to victory, and takes charge of and lead the people's destiny.

As there is one sun in the world, there is only one leader [yongdoja]. The revolutionaries have the absolute faith that without the leader [yongdoja], they do not exist, nor the revolution. The revolutionaries' faith and sense of obligation is thorough because they acknowledge and uphold only the leader [yongdoja].

Comrade O Chin-u, who left us not long ago, was a loyal revolutionary who knew only his leader [suryong] and leader [yongdoja] and upheld them for his entire life. After he passed away, the great leader [yongdoja] Comrade Kim Chong-il spoke highly of him, saying that Comrade O Chin-u was a revolutionary who was not selfish but only loyal in upholding his leader [suryong].

The position thoroughly and purely upholding one's leader [yongdoja] does not come naturally. The position is based on absolute and unconditional reverence toward the leader [yongdoja]. With each passing day, the greatness of respected and beloved Comrade Kim

Chong-il grows in the hearts of the chuche-type revolutionaries and people.

There is no great leader [yongdoja] and peerless great man like respected and beloved Comrade Kim Chong-il, who has the loyalty and filial piety to uphold the fatherly leader for thousands of ages, the tested leadership that brilliantly completes the leader's [suryong] cause at the highest point, and lofty mercy that warmly takes care of our people. Respected and beloved Comrade Kim Chong- il is the only great leader [yongdoja] who takes the responsibility of and leads our destiny and future. Our people have a faith that when we walk along the road indicated by him, we will win 100 times out of 100 battles, 1,000 times out of 1,000 battles.

People are having the lofty self-consciousness to uphold respected and beloved Comrade Kim Chong-il, who is unique in the world, and a pure mind to entrust everything in his bosom. Because our chuche-type revolutionaries have such faith and sense of obligation, when the leader [yongdoja] tells them to come forward, even though steep mountains and cliffs are ahead of the road, they will unflinchingly step on the road; when he tells them to go through a swamp, even if there is a broad road next to it, they will follow him. Only those who have such stubbornness in their hearts can uphold their leader [suryong] and leader [yongdoja] for a lifetime without hypocrisy, and can unhesitatingly lay down their lives for the party and the leader [suryong].

Our chuche-type revolutionaries trust and follow only the great leader [yongdoja]. They think according to the leader's [yongdoja] ideology, walk on the road indicated by the leader [yongdoja], and work according to the leader's [yongdoja] intention. These people do not know of selfishness and fame, and are crystal clear inside out. However, those who are different in the front and back, inside and outside, easily abandon faith and obligation. This is proven by the antiparty and antirevolutionary factional elements, who once had vowed loyalty but later broke faith, obligation, and vows, and challenged the party at the most difficult time.

Those who only think about and uphold their leader [yongdoja] face down or up, and those who share the destiny of life and death with the leader [yongdoja] even when they are hung, are genuine loyalists. The chuche-type revolutionaries have thorough faith and pure sense of obligation because they know only their leader [suryong] and leader [yongdoja] and uphold the leader [yongdoja] for a lifetime with boundless loyalty and stubbornness.

The chuche-type revolutionaries' faith and sense of obligation is also resolute. Resolute faith and sense of obligation means that once they take the oath and make up their minds, they never change. The road of revolution is arduous. They have to overcome many difficulties and trials to carry out the revolution. To this end, they should never change their minds. Anyone can easily take an oath and vow loyalty, but it is not easy to make the actual practice. There are arduous trials on the road upholding the leader [yongdoja], and sometimes it even demands the sacrifice of life. We only have our leader [yongdoja] to rely on in the revolutionary struggle. Everything else may change in this world, but the greatness of the leader [yongdoja], who leads the revolution to victory, and the leader's [yongdoja] trust and love in the revolutionary fighters will never change and will remain absolute.

Today, the respected and beloved supreme commander Comrade Kim Chong-il stands in the van of our revolutionary ranks. Comrade Kim Chong-il is the leader [yongdoja] who persistently leads our own style of socialism with an iron-like will under the banner of the revolution; the supreme commander who visits fighters of the Korean People's Army as they serve in posts along the frontline, always sharing joy with them; and the father who saved the people's lives by mobilizing the entire army when they faced a dangerous situation due to flooding.

Because there exists the pillar of the mind in which they can absolutely trust, as well as the bosom of the great father, the faith and obligation of our Korean revolutionaries have been consolidated into one that will never change under any difficult circumstances.

Our faith and obligation are the iron-like will to endlessly embark upon the single road of the revolution, following the leader under any harsh environment; they are the indomitable spirit and vigorous revolutionary principle that will allow us to bravely fight on the scaffold, overcoming any temptation.

Unexpected trials may occur along the road of the revolution. The faith and obligation of the revolutionaries can be fully proven in overcoming difficulties. It is important for the people carrying out the revolution to always be ready so they can keep their political faith and conviction.

Revolutionaries prepare in their minds the resolute determination that they will be rewarded for their blood when they die, as well as the decisive determination to safeguard their honor and dignity at the risk of their lives. Revolutionaries who have a decisive determination to share the fate of the leader [yongdoja], whether they live or die, regard rifles as their loyal comrades.

From those comrades who [word indistinct], there may be betrayals; however, rifles know nothing of betrayal.

A rifle is always supposed to fire at enemies based on its master's will, cutting short one's life. A rifle that safeguards his revolutionary principle and political life can become a wordless comrade for revolutionaries.

Warmly reflected upon the phrase "a rifle is loyal comrade" is the outlook on the life and revolution of our chuche-type revolutionaries who want to keep their revolutionary faith even if they must abandon their lives.

The faith and obligation of chuche-type revolutionaries are also glorified by their boundless devotion for the revolutionary cause. Devoting oneself to the revolutionary cause is to concentrate all one's might and wisdom on achieving the plans and intent of the party and the leader [suryong], as well as to die in the performance of one's duty in the course of its implementation, fighting on until one's heart has stopped beating.

In essence, the revolutionary struggle is the struggle to achieve the plans and intent of the leader [yongdoja]. The honor of revolutionaries, who share joy and sorrow with the leader [yongdoja], entrusting their destiny to him, as well as their valuable lives, lies in displaying the spirit of boundless devotion and sacrifice to implement the revolutionary tasks presented by the leader [yongdoja].

Therefore, we believe that revolutionaries are the best revolutionaries if they can carry out the revolution under any situation. The spiritual world of the revolutionaries is to think about the revolution, whether asleep or awake; to go through fire and water to achieve the cause led by the leader [yongdoja]; and to concentrate their might and energy on implementing the leader's plans and intent.

Today, the great leader Comrade Kim Chong-il absolutely trusts in our revolutionary fighters and people to lead the revolution and construction. The struggle to achieve the great leader's plans and intent is the struggle to absolutely safeguard the leader's dignity, as well as to pay for his trust.

If faith and obligation are regarded as the lifeline of chuche- type revolutionaries, then fighting and devoting oneself for the implementation of the leader's plans and intent is the basic criterion to verify faith and obligation.

Those who make pledges and lip service very well are not all sincere people. Those who devote their strength and wisdom to protecting their own posts assigned by the party without speaking much, no matter whether they are observed by someone else or not, those who cannot sleep well because of feeling guilty when they make any slightest mistake in upholding the leader [yongdoja], and those who are making every possible effort to accomplish their tasks assigned by the party are trustworthy revolutionaries who sincerely keep their faith and sense of obligation.

Chong Chun-sil, a double labor heroine, has set higher goals and is still carrying on the struggle of self-sacrifice to implement the fatherly leader's [suryongnim] lifelong intent today when she has already offered great happiness to the party and the leader [suryong] and has performed a lot of work. Such a genuine functionary as Chong Chun-sil never knows self-complacency.

No matter where they are and whatever they are engaged in, revolutionaries with faith and a sense of obligation always set the price of themselves and constantly make themselves redouble their efforts. Setting the price of oneself means fixing the price of one's life based on one's necessity to the party and one's actual contribution to the revolution.

Precious are the lives of revolutionaries who always think about the prices of their lives and constantly make themselves redouble their efforts from the bottom of their hearts to be loyal to the party. On the other hand, those who have no clear goals of their lives and no ability to work for or enthusiasm to devote themselves to the party and the revolution cannot be called people engaged in the revolution.

A revolutionary's death comes in the course of carrying out the revolution, not in the course of maintaining his or her position somehow like a salaried man. Everyone must face the moment of concluding his or her life. The greatest hope of a revolutionary is to live his or her life in a worthwhile and passionate way of trustworthily contributing to the revolutionary cause with the attitude of being the leader's [suryong] fighter.

At the last moment of their lives, the leaves of a maple tree become aglow with red color and show their beautiful look to the world. Revolutionaries should brilliantly conclude their lives, respected and precious lives to sum up valorously before the party, the revolution, their comrades, and future generations.

From ancient times, people have respected and adored those who have strong faith and a sense of obligation and have regarded white gems, green pine trees, and bamboos as the symbols of those people. A white gem never loses its glow even if it is broken; a green pine tree remains green even in the snow; a bamboo remain straight even in the fire. Chuche-type revolutionaries' faith and sense of obligation never bows even if their bones are ground into powder, like a white gem; never changes even if they conclude their lives behind bars, like a pine tree; and never bends even if they are burnt to death, like a bamboo. The revolutionary spirit is measureless and has infinite might that enables its holder to defeat any sort of enemy and occupy any kind of stronghold.

We will value the faith and sense of obligation, which we have kept in the course of the revolution while following the great leader [yongdoja] Comrade Kim Chong-il, more than our lives and will grace our worthwhile lives as chuche-type revolutionaries on the road of revolution.

Our cause is the cause of justice and its future is endlessly bright. The great leader [suryong] Comrade Kim Il-song, who pioneered the road of revolution for the first time and is in an eternal state, is arousing us to new struggle and feats, and respected and beloved Supreme Commander Comrade Kim Chong-il is at the helm of the revolution. This fact strengthens our faith thousandfold and makes our sense of obligation burning as the most immaculate one.

A revolution with strong faith and a sense of obligation never degenerates; a party with firm faith and a sense of obligation never knows failure and vicissitudes; a people whose faith and a sense of obligation have become their nature never collapse. We walked along an arduous road in the past and may have to walk along a more arduous road in the future. However, we are afraid of nothing. We should accomplish the cause of the fatherland's reunification and achieve the victory of the chuche cause.

More stout become our revolutionary determination and fighting spirit to demonstrate our appearance as great Comrade Kim Chong-il's fighters on the road of revolution that we have to go through until the end under any circumstances. Regarding their faith and sense of obligation as their lifeline, all our party members, People's Army officers and men, and people will stoutly walk along the long way of revolution by overcoming any stormy circumstances while being firmly united around the great leader [yongdoja] Comrade Kim Chong-il.

## South Korea

### DPRK, U.S. Positions on Geneva Accord Viewed

*SK2210062695 Seoul HANGYORE SINMUN in Korean 21 Oct 95 p 6*

[Article by correspondent Chong Yon-chu from Washington]

[FBIS Translated Text] Just a year ago, North Korea and the United States held the third round of high-level talks and reached an agreed framework on freezing the North Korean nuclear program, on providing light-water reactors to North Korea, and on improving relations between North Korea and the United States. At that time, North Korea and the United States experienced great difficulties during their final negotiations over inter-Korean relations. The U.S. position was that it could not accept the North Korea-U.S. agreed framework unless the agreed framework specified the resumption of inter-Korean dialogue, while North Korea persistently opposed this. Although the sides had reached agreements on all other points at issue, the North Korea-U.S. high-level talks once faced a crisis because of the inter-Korean dialogue issue.

However, the inter-Korean dialogue issue finally came to a conclusion with the following expression: "This agreement shall help create an atmosphere for promoting inter-Korean dialogue." However, the difficulties experienced by the two sides at the final stage of the negotiations foretold that inter-Korean relations would play a key role in the North Korea-U.S. agreed framework. This has been proven by the past year's developments.

The United States is quite satisfied with the progress made in the past year. This is because North Korea's nuclear program is still frozen and, through the Kuala Lumpur agreement, North Korea virtually accepted the ROK's central role in the construction of light-water reactors. Besides, there has been no problem in preserving spent fuel rods so far, and the ongoing negotiations for the conclusion of a contract on providing light-water reactors are likely to reach a compromise.

Robert Gallucci, U.S. ambassador in charge of the nuclear issue, who led the U.S. delegation to talks with North Korea, has also highly assessed the fact that North Korea has maintained the freeze of its nuclear program, comparing it to U.S. professional baseball player Carl Lipkin who has set again a record in successive games played.

However, North Korea is considerably dissatisfied with the progress of the implementation of the North-Korea-U.S. agreed framework. Selig Harrison, senior researcher of the Carnegie Endowment for International Peace, who met North Korean Foreign Ministry officials during his recent visit to North Korea, stated that North Korean officials had complained: "While we keep our promises such as the freezing of our nuclear program, the United States fails to keep its promises, including the promise to lift its economic sanctions against us."

A North Korean high-level diplomat at the North Korean mission in the United Nations made a similar complaint during a telephone interview on 19 October. The North Korean diplomat stated: "We have kept all our promises by freezing our nuclear program and preserving spent fuel rods safely, but the United States has not."

In particular, the diplomat views that the U.S. action taken in January to ease trade and investment restrictions varied greatly with the spirit of the agreed framework, which specifies that "the two sides shall go toward the complete normalization of their political and economic relations." In fact, the measures taken by the United States to lift sanctions against North Korea merely included the permission given to North Korea to export magnesite to the United States and the permission for communications between North Korea and the United States.

North Korea's dissatisfaction is based on its awareness that there was no particular graphic "benefit" except for the supply of heavy oil provided to North Korea since the conclusion of the agreed framework. This is why North Korea is not showing a very active attitude toward the establishment of liaison offices, which is a political symbol but provides no big practical benefit.

Still now when North Korea has frozen its nuclear program, the United States is reluctant to lift economic sanctions against and improve relations with North Korea because of the DPRK's domestic political atmosphere, as well as the failure to improve inter-Korean relations. It seems that the U.S. Administration cannot help but concern itself over the criticism that the ROK was alienated from the North Korea-U.S. negotiations, as well as the U.S. conservative Republicans' strong insistence that the ROK should play a key role in the light-water reactor project.

Besides the demand for the ROK's key role in the construction of light-water reactors, the U.S. Government recognizes that the denuclearization of the Korean peninsula, a goal of the North Korea- U.S. agreed framework, is a question to be solved basically by South and North Korea. With regard to the implementation of the North Korea-U.S. agreed framework, the U.S. Government's basic line is that the two axes — the improvement of North Korea-U.S. relations and the improvement of inter-Korean relations — should "run parallel and in harmony."

In short, within the boundaries of the North Korea-U.S. agreed framework, the improvement of North Korea-U.S. relations will be limited unless inter-Korean relations improve. Therefore, it is unlikely that the United States will hasten to lift additional economic sanctions against North Korea while inter-Korean relations are strained.

In conclusion, progress in the North Korea-U.S. agreed framework and improvement of North Korea-U.S. relations are fundamentally conditional on the improvement of inter-Korean relations. Under the current lukewarm situation, it seems that there will be no progress in North Korea-U.S. relations unless the inter-Korean issue is resolved.

From this viewpoint, we can say the way of improving inter-Korean relations, which have worsened since the matter of expressing condolence over Kim Il-song's death emerged last year, will be maintained as the primary issue in implementing the North Korea-U.S. agreed framework in the future.

## Current Status of DPRK-U.S. Talks Discussed

*SK2210142095 Seoul HANGYORE SINMUN in Korean 22 Oct 95 p 3*

[Editorial: "The First Year of the North Korea-U.S. Agreed Framework"]

[FBIS Translated Text] After being caught in a tug-of-war for a long time, North Korea and the United States finally signed an agreed framework a year ago. The world was surprised at the resolution to the vexed North Korean nuclear issue, and expected the agreement would establish a new security order in Northeast Asia, the last Cold War in the world. The dark clouds of war that overcast the Korean peninsula were instantly cleared. In the aftermath of the signing of the agreement, we expected that peace and the basis for national reunification would be consolidated on the Korean peninsula once the contents of the agreement were implemented. However, even though breathless tension has not been created, it is still hard to see the signs of perpetual peace on the Korean peninsula. The background behind this notion is that the implementation of the agreement made very slow progress, and accordingly, it is not easy to foresee a rosy future as regards the implementation of the agreement.

In the wake of the announcement of the agreement, one conspicuous question was whether North Korea would truly freeze its nuclear activities under the agreement. According to the report by the International Atomic Energy Agency, North Korea has suspended the construction and operation of atomic power plants and has preserved the spent fuel rods under surveillance. The United States has also supplied heavy oil to North Korea as promised. However, it is still difficult to tell whether light-water reactors will be supplied, the core of the agreement. Given the scale of the project, the expenses, and the long construction period, numerous problems are expected to follow. However, looking back upon the past year, the key question was whether North Korea would accept ROK-style light- water reactors without objections, and whether Pyongyang is willing to deal with various baffling questions. Even though we cannot be certain, North Korea seems ready to accept this. Therefore, the chances are good North Korea will deal with this crisis.

Contrary to this, the inter-Korean dialogue, on which we had pinned so much of our hopes, has failed to achieve tangible results. This frustrates us. North Korea has neglected to grapple with the issue of resuming North-South dialogue, even though it indirectly agreed to do so in the agreed framework. Hence, North Korea will not be able to refrain from criticism on this point. However, we should simultaneously examine whether our government's attitude, which insists upon inter-Korean dialogue without taking account of the North's position, is reasonable and proper. The government also insists upon this principle to provide 150,000 tonnes of rice to North Korea. For this reason, both ruling and opposition parties denounced the government's fruitless efforts for inter-Korean dialogue at the regular National Assembly session.

The change in the security climate in Northeast Asia, such as the establishment of mutual liaison offices between the United States and North Korea, cannot presently be seen. However, the North Korea-U.S. agreed framework has gained power to change the climate of Northeast Asia, even though it is making slow progress. We should pay attention to this.

### North Delegate Interviewed on KEDO Talks

*SK2310025395 Seoul HANGYORE SINMUN in Korean 23 Oct 95 p 7*

[Telephone interview with Ho Chong, chief DPRK delegate to KEDO-DPRK high-level talks, by correspondent Chong Yon-chu in Washington, date not given]

[FBIS Translated Text] [Chong] It has been a year since the North Korea-U.S. agreed framework was signed. You were directly involved in last year's Geneva talks. How do you appraise the past year?

[Ho] The core of the Geneva agreed framework is that we freeze and dismantle the graphite-moderated reactor in exchange for the supply of light-water reactors by the U.S.-led Korean Peninsula Energy Development Organization (KEDO). During the past year, we have earnestly implemented all provisions of the DPRK-U.S. agreement. We froze the graphite-moderated reactor and accepted the International Atomic Energy Agency's inspections. We did our best in cooperating for the safe processing of spent fuels, and lifted all DPRK-U.S. investment barriers. However, the United States still has not abandoned its hostile policy and none of its measures to lift economic sanctions were substantial. The negotiations on light-water reactors are still in progress, but nothing is concrete.

[Chong] How are negotiations with KEDO developing?

[Ho] We made progress in significant issues at the second high- level talks last week.

[Chong] What are the issues?

[Ho] I cannot give you details while the talks are underway, but I can tell you that we conveyed to KEDO last week two principles for an early resolution of the agreement on the supply of light-water reactors, and KEDO agreed to the principles.

[Chong] What are the principles?

[Ho] One is that the light-water reactor project cannot be resolved through international business norms and practices, but should be resolved politically because the Geneva agreement on the supply of light-water reactors in exchange for our graphite-moderate reactors is a product of a political settlement.

Another principle is that the provisions of the agreed framework should be implemented according to the principle of simultaneous actions. Since the DPRK and the United States still have hostile relations, simultaneous actions should be confirmed not through mutual trust but through verification.

[Chong] Then, the prospects for an agreement on the supply of light-water reactors is bright, is it not?

[Ho] Yes. We have reach an agreement on the principles, which means the basic problems are solved, and we can say that the prospects are bright. KEDO Executive Director Bosworth also said that last week's talks were very successful.

[Chong] When do you expect the supply agreement will be signed?

[Ho] The agreement is likely to be signed in one to two weeks. The signing of the agreement will bring about a significant breakthrough in implementing the agreed framework.

### No N-S Dialogue Unless North Changes 'Attitude'

*SK2110033695 Seoul TONG-A ILBO in Korean 21 Oct 95 p 2*

[FBIS Translated Text] The National Assembly held an interpellation session on national unification, security, and foreign affairs on 20 October with relevant cabinet members, including Prime Minister Yi Hong-ku, and inquired into Japan's distortion of the past ROK-Japan history, and the government's inconsistent policy on North Korea.

Im Chae-chong, a lawmaker of the National Congress for New Politics [NCNP], noted: "Japanese cabinet members and politicians have made absurd remarks on 24 occasions since the Korean national liberation and, among them, seven were made during the past two years." Lawmakers Pak Kun-ho of the Democratic Liberal Party [DLP] and Pak Ku-ik of the United Liberal Democrats urged the government to "take a strong and appropriate action to cope with this."

In particular, lawmaker Kim Won-ung of the Democratic Party stated: "The government should demand an overall amendment of the ROK-Japan pact and, if the Japanese Government does not accept this, it must declare the pact should be invalidated." He then asked "if the government is willing to approve a special law on the punishment of national traitors and bring the culprits of the ROK-Japan pact before the court."

NCNP lawmaker Kwon No-kap pointed out: "The Kim Yong-sam regime's policy on North Korea over the rice issue and the provision of light-water reactors to North Korea has been inconsistent." He also was concerned that rumors of a security crisis and the government's strong position on North Korean affairs led by President Kim are aimed at gaining the upper hand of the 1996 general elections."

DLP lawmaker Yi Se-ki urged an "early revision of the ROK-U.S. Status of Forces Agreement, a typical unequal agreement"

While answering the lawmakers, Prime Minister Yi Hong-ku stated that the government will not hasten to suggest inter-Korean dialogue unless North Korea assumes an active and positive attitude.

Prime Minister Yi also stated: "last September, I directed the Foreign Ministry to thoroughly reexamine its policies on overseas compatriots for the 21st century." He added that "at the same time, the government will consider the establishment of an office in charge of overseas compatriots affairs."

### Premier Comments on Government's DPRK Policy

*SK2110024095 Seoul THE KOREA TIMES in English 21 Oct 95 p 2*

[FBIS Transcribed Text] Prime Minister Yi Hong-ku yesterday reaffirmed the government's new North Korea policy, saying it will not hasten in carrying out its North Korea policy including seeking inter-Korean dialogue.

"It's the firm government's position that we will not propose talks until the North assumes an active and positive attitude toward improvement in inter-Korea relation," Yi told a National Assembly interpellation session.

The prime minister said North Korea's de facto leader Kim Chong- il has full control of the military, evident in his recent military reshuffle, adding junior Kim does not seem to be in such poor health that he cannot succeed his late father's power.

"Considering that the North's current economic adversity derives from its economic structure, Pyongyang's economy is now in serious condition and is not expected to recover soon," Yi said.

Confirming that the communist country agreed to a special inspection by the International Atomic Energy Agency under the 1994 Geneva agreement, he said there would be no provision of light-water reactors to the North without the inspection.

"But the specific date for the special inspection will be fixed after North Korea and the Korean Peninsula Energy Development Organization sign an agreement on the conditions of supplying the reactors," he added.

Regarding the issues of converting the current armistice regime to the peace treaty system, the government thinks that the issue should be solved between the two Koreas, direct parties involved, he said. The South was excluded when the 1953 Armistice Treaty ending the three-year Korean War was signed.

But if a peace accord is signed between Seoul and Pyongyang, there will no change in the "special relationship" defined in the South-North Basic Agreement.

The agreement defined the relationship between the two Koreas not as one between two countries, rather as a "special relationship" that is provisionally formed in the course of reunification.

"At the same time however the government will thoroughly review possible legal questions that could break out in the case of the two Koreas signing a peace treaty. [no closing quotation marks as published]

Deputy Premier-National Unification Minister Na Ung-pae said the government has no plans at the moment to send leaders of religious circles or other walks of life to North Korea as special emissaries.

"Pyongyang has taken advantage of Seoul's efforts to expand inter-Korean exchanges by alienating the government from civilian sector through selectively allowing visits," Pak said.

Defense Minister Yi Yang-ho said it is not proper at the moment for the South Korean Army to have sole control over the Joint Security Area, which is now jointly guarded and operated with the U.S. Army.

"The joint control of the area is a symbol of a Seoul-Washington combined defense system," Yi said. "The issue also should be given serious consideration in terms of deterring possible North Korean military action."

He also said he thinks the issue will naturally be discussed between the South and the United States in the course of the current armistice regime's conversion to the peace treaty system.

### Government 'Promoting' N-S Economic Cooperation

*SK2010103295 Seoul YONHAP in English 1019 GMT 20 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 20 (YONHAP) — Deputy Prime Minister Na Ung-pae on Friday said it is not that there is a change in the basic government policy to promote reconciliation and expand exchanges with North Korea.

"The government simply does not think of any additional steps to have talks with the North Korea at the moment in view of the current South-North situation," Na said.

In a testimony at the National Assembly session, Na who is also national unification minister said the government has nevertheless been promoting South-North economic cooperation with patience though on a limited pilot project basis.

Under the present circumstances, he said, it is hard to expand the extent of economic cooperation.

The deputy prime minister also said that it seems North Korea refuses to release the crew persons of the seized Usong-ho fishing boat in a plan to use the case as a negotiation card during possible rice or flood aid talks in the future.

"Our irrevocable stance is that the Usong-ho issue should be resolved before anything else," he said.

South Korea will, with patience, try to induce North Korea toward opening through exchanges and contacts while maintaining firm security preparedness, Na said.

### Daily: DPRK Not To Return Usong-86 Fishermen

*SK2110080395 Seoul YONHAP in English 0758 GMT 21 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 21 (YONHAP) — North Korea will not repatriate South Korean fishermen of the trawler Usong No. 86 it captured in May, and deal with the issue legally, an official North Korean daily said in its comment on Saturday.

The North cannot tolerate criminal acts committed by the South's fishing boat, said NODONG SINMUN, stressing, "We are firm against anyone who infiltrates our territorial waters illegally."

The ship's invasion into the North's territorial waters had been made under the wireless guidance of South Korean naval vessels and the maritime police, Naewoe Press, an official Pyongyang watcher here, quoted the North's official mouthpiece as insisting.

Accordingly, South Korea's calling for the release of the fishermen is unreasonable and is a provocation against the North, NODONG went on to say.

Meanwhile, the 133rd Clause of the North's Criminal Law stipulates that foreigners who violate the territorial waters or airspace without permission will be sentenced to less than 10 years' imprisonment, and their ships or planes could be confiscated, according to the Naewoe Press.

### ANSP To Provide North Data to Broader Public

*SK2010070895 Seoul MUNHWA ILBO in Korean 20 Oct 95 p 2*

[Report by Han Chong-ho]

[FBIS Translated Text] With its relocation to Naegok-tong as an occasion, the Agency for National Security Planning [ANSP] will make materials concerning North Korea available to the public and various sectors of society.

It was learned that this is part of the first phase of the government's policy of opening up its control over North Korean information and data.

Kwon Yong-hae, director of the ANSP, stated on 19 October that "of late, political, economic and the press domains have independently engaged in collecting information and data pertaining to North Korea for their own use. However, erroneous information has often been disseminated to them, thus resulting in adverse effects. With the relocation of its office to a new site as an occasion, the ANSP plans to hold regular explanation sessions concerning the North Korean situation to experts of various domains."

Director Kwon also revealed that "the era when the ANSP monopolized information and data on North Korea has gone. Thus, the ANSP formulated a policy for opening the ANSP."

### Nonaligned Movement Resolution on DPRK Cited

*SK2110022595 Seoul YONHAP in English 0032 GMT 21 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 21 (YONHAP) — The summit meeting of nonaligned countries on Friday adopted a resolution calling for North Korea and all parties concerned to fully implement the Geneva agreed framework which requires the scrapping of the North's suspected nuclear weapons program, a Foreign Ministry spokesman said, quoting the final document adopted at the end of the 11th summit meeting of nonaligned countries in Cartagena, Colombia.

"The nuclear issue on the Korean peninsula, given its political and military nature, should be resolved by peaceful means through dialogue and negotiations among all the parties concerned and with full implementation of the Geneva agreed framework and the Kuala Lumpur statements between the Democratic People's Republic of Korea and the United States of America and other agreed relevant documents, taking into account the need for continued cooperation with the IAEA [International Atomic Energy Agency]," the final document said.

Expressing their concern over the fact that the Korean peninsula is still divided in spite of the desire and aspirations of the Korean people, the heads of over 120 nonaligned states "reaffirmed their support for the efforts of the Korean people to reunite their homeland based on the principles set forth in the South-North joint statement of July 4, 1972, as well as in the agreement concluded in February 1992."

The heads of the nonaligned states also noted the importance of guaranteeing a durable peace and security on the Korean peninsula for the sake of the common prosperity of the Korean people as well as for the peace and security of all Northeast Asia and the rest of the world.

Commenting on the final document, director-general of the Foreign Ministry's United Nations Systems Bureau Ham Myong-chol said that South Korea successfully thwarted efforts by North Korea to include in the final document a clause to the effect that a new peace accord to replace the Korean Armistice Agreement should be established on the Korean peninsula at the earliest possible date between the parties involved.

North Korea has sent to the Colombia nonaligned summit a 22- member delegation headed by Vice President Pak Song-chol in an effort to take advantage of the occasion to solicit external support for its plan to introduce a new peace regime to replace the existing Korean Armistice Agreement, Ham said.

Close allies of South Korea in the group thwarted the North Korean bid to put the proposal in the final document, according to Ham.

The UN systems bureau chief said that the nonaligned group has maintained a balanced position toward the Korean issue, departing from its traditional pro-North Korea policy, especially after the collapse of the former Soviet Union.

"The nonaligned group is now more concerned with economic cooperation rather than Cold War-type international politics," Ham said, adding that many of its member countries are more interested in cooperating with South Korea than with North Korea.

## Court Grants Pak Yong-kil 'Temporary Release'

*SK2010102095 Seoul YONHAP in English*
*1010 GMT 20 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 20 (YONHAP) — The Seoul district court on Friday set free Mrs. Pak Yong-kil, the wife of the late Rev. Mun Ik-hwan, on a temporary basis to allow her an opportunity to undergo medical treatment.

Mrs. Pak was arrested upon her return from the North where she illegally visited late last June to attend Pyongyang memorial ceremonies marking the first anniversary of the death of Kim Il- song. She was charged with violating the National Security Law.

Judge Cho Sung-gon of the district criminal court said her temporary release was based on a request she filed through her lawyer, Yi Tok-u.

"As she was suffering from a heart disease, I decided she needs treatment at a specialized heart clinic," the judge said, adding that the court, therefore, decided to suspend her custody through Nov. 30.

During her first trial session on last Oct. 4, Mrs. Park refused to be present at the trial, complaining she had unduly been charged with National Security Law violation despite the fact that all she did in the North was to attend Kim Il-song's memorial ceremonies.

## North Soldiers 'Demoralized' by Food Shortage

*SK2210104695 Seoul TONG-A ILBO in Korean*
*22 Oct 95 p 19*

[Article by Kim Ki-man]

[FBIS Translated Excerpt] Following the North Korean military reshuffle that occurred on 8 and 13 October, an armed North Korean soldier was shot to death while infiltrating into the ROK, thus attracting unusual attention.

According to North Korean defectors and sources well versed in North Korean affairs, irregularities and acts of corruption, such as embezzlement and the misappropriation of military supplies, have soared inside the North Korean military. In addition, the conflict between the older and younger generations within the military leadership has become serious.

Irregardless of the slogan "The People's Army should be well fed," some soldiers are starving due to decreased food supplies stemming from the food crisis in North Korea, and the soldiers are extremely demoralized due to the extended period of military service. [passage omitted]

### Kim Chong-il's Efforts To 'Embrace' Military

*SK2210083695 Seoul HANGYORE SINMUN in Korean 22 Oct 95 p 6*

[Report by correspondent Yi Sang-ki]

[FBIS Translated Text] The North Korean military apparently assumed greater power than ever before around the time of the celebrations marking the 50th anniversary of the founding of the Workers Party of Korea [WPK], and its power seems to be growing as the days go by.

On 8 October, North Korea appointed Chief of the General Staff Choe Kwang as minister of the People's Armed Forces, and simultaneously promoted 19 high-ranking generals, among them Choe Kwang and Yi Ul-sol, director of the General Guard Bureau, who were promoted to marshal; Cho Myong-nok and two other generals, who were promoted to vice marshal; and Kim Ha-kyu and two others, who were promoted to general.

During a meeting held on 10 October to mark the anniversary of the founding of the party, Choe Kwang delivered a report, despite the fact that the meeting was a party-level event. This was followed by a highly unusual and massive military parade. In addition, according to the list of North Korean leaders present at the meeting, Cho Myong-nok, Yi Ha-il, and Kim Yong-chun were upgraded from a ranking of 80 and lower to a ranking of 24, 25, and 26, respectively.

On 13 October, Vice Marshal Kim Yong-chun was appointed chief of the General Staff, a position that had been vacant since the appointment of Choe Kwang as minister of the People's Armed Forces; Air Force Commander Cho Myong-nok was appointed director of the General Political Bureau; and Vice Marshal Kim Kwang-chin, a member of the National Defense Committee, was appointed to a new position: first vice minister of the People's Armed Forces.

A series of military promotions was also observed, although no reshuffle has been conducted in the other two pivotal organizations that maintain the North Korean power, the WPK and the Administration Council, following the death of President Kim Il-song in July 1994. This plainly shows the increasing power of the North Korean military.

It seems North Korea has strengthened its military in order to encourage unity and morale within the military, which made the greatest "contribution" to building the Kim Chong-il system following the death of Kim Il-song. It is also felt that Kim Chong- il is making efforts to embrace the military in order to overcome the instability of the North Korean system during the transitional period following Kim Il-song's death.

Among the 28 official events Kim Chong-il attended since the beginning of the year, 17 were militarily related. Experts believe this is another example that shows Kim Chong-il's consideration of the military. In other words, this proves that Kim Chong-il absolutely needs the military's help to assume power during the transitional period. The promotion to marshal of Yi Ul-sol, director of the General Guard Bureau and the officer responsible for protecting Kim Chong-il's personal safety, can be understood in the same context.

Experts feel that under the situation where he has failed to assume complete power, Kim Chong-il may intend to hold sway over the military by "distributing military power."

This analysis is supported by the fact that Kim Chong-il appointed Choe Kwang as minister of the People's Armed Forces and Cho Myong-nok as director of the General Political Bureau, both of which positions were held by O Chin-u until his death in February, and appointed Kim Yong-chun as chief of the General Staff, so that he could remove the charisma that once prevailed within the military, separating the right to issue orders and the right to handle administrative affairs within the military. In particular, it cannot be overlooked that the diversification of power within the military has been strengthened by appointing Kim Kwang-chin to the new post of first vice minister of the People's Armed Forces.

Meanwhile, some feel Kim Chong-il is likely to be elected "generalissimo" following the recent promotions of Choe Kwang and Yi Ul-sol to marshal. However, there is a strong opposing view that Kim Chong-il's entrance among the ranks of the first generation, including Choe Kwang, serves as a great symbol, and that Kim Chong-il's election as "generalissimo" would not be of great help for his embrace of the military.

### Seoul Professor Sentenced for Spying for North

*SK2110041595 Seoul THE KOREA HERALD in English 21 Oct 95 p 3*

[FBIS Transcribed Text] The Seoul District Criminal Court sentenced a Seoul university professor to seven years in jail yesterday for spying for a North Korean agent active in Japan.

Pak Chang-hui, 64, a history professor at Hanguk University of Foreign Studies, was found guilty of violating the National Security Act by reporting domestic situations to the Pyongyang agent on a number of occasions.

Pak had contacted the agent, So Tae-su, 71, about 30 times from 1990 until his arrest last April and received 500,000 yen in "operation funds" from him, the court said.

The prosecution had demanded life imprisonment for the professor.

### Kim Chong-pil Defends Japan Negotiations Role

*SK2010122695 Seoul YONHAP in English*
*0700 GMT 20 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 20 (YONHAP) — Kim Chong-pil, president of the minor opposition United Liberal Democrats, on Friday defended his role in negotiations of the 1965 Korea-Japan basic treaty under which the two countries normalized relations.

Kim told reporters at the National Assembly, "I was involved in the reparation negotiations only, and the Kim-Ohira memo is not directly related to the Korea-Japan Basic Treaty."

Ohira refers to the then Japanese Foreign Minister Masayoshi Ohira.

Kim's explanation came in response to demands a few lawmakers made Thursday [19 October] at a parliamentary interpellation of the administration that he make public the behind-the-scenes negotiations for the South Korea-Japan rapprochement agreement.

"In view of public's sentiments at that time, nobody dared to raise the question of Japan's reparations to Korea. Japan, being preoccupied with post-war reconstruction, could not afford to make reparations. As a result, the matter dragged on for as long as ten years," Kim explained. "At that time, we judged that Japan's reparations would be the most reasonable source for financing the country's economic build-up."

Referring to the so-called Kim-Ohira memo, Kim said, "The memo was prepared to confirm that Japan would provide Korea with 300 million U.S. dollars in grant aid, 200 million dollars in credit assistance, 100 million dollars in an export-import bank loan.

"It is by no means a diplomatic document," Kim claimed.

Kim maintained further that his talks with Ohira were nothing but preliminary in nature, that he merely reported the results of the talks to the head of state and that if they were approved by him the chief delegate would go to Japan to conduct plenary sessions and reach an agreement.

"Some lawmakers have recently made remarks about me as they were unaware of these details," Kim added.

### Daewoo Opens Glass Production Plant in PRC

*SK2110052595 Seoul THE KOREA HERALD*
*in English 21 Oct 95 p 8*

[FBIS Transcribed Text] Daewoo Corp. has put into operation a joint glass production plant in Nanjing city, Jiangsu Province, China.

The plant was established under a joint venture among Daewoo with a 40 percent stake, Nanjiang Jinling Glass Factory (50 percent) and Hanguk Glass Industries Inc. (10 percent).

Participants at the dedication ceremony of the plant held Friday include Daewoo Corp. Chairman So Kyong-sok, General Director of Nanjiang Jinling Glass Factory Ying Biao, Hanguk Glass Industries Inc. president Yi Se-hun and Nanjing City Mayor Wang Hong Min.

The plant, named Namu Glass Industries Co., was set up with total investment of $34 million and 22 months of construction.

Namu Glass Industries will annually produce 1.6 million boxes (80,000 tons) of glass using float glass technology. Its annual sales are expected to reach about $20 million, a company spokesman said.

The prospects for the glass production business are considered bright as glass demand in China is expanding rapidly due to the construction boom.

### Tourists Return After Russian Hostage Crisis

*SK2010124495 Seoul YONHAP in English*
*0617 GMT 20 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 20 (YONHAP) — A group of South Korean tourists who were taken hostage by an armed Russian man in Moscow six days ago returned home on Friday morning.

The 27 Hyundai Electronics employees arrived at Kimpo International Airport aboard Aeroflot Flight 599.

More than 100 family members of the returning tourists were at the airport to meet the Hyundai employees.

Kim Yon-su, 42, chief of the Hyundai tourist group, said, "I'm very happy that all of us have returned safely. We thank the South Korean and Russian officials who made every effort to rescue us."

They were taken hostage by an armed Russian man near Red Square in Moscow on Oct. 14, but were all rescued by Russian counter- terrorist "Alpha" forces early in the morning on Oct. 15.

### Kim Yong-sam Arrives in U.S. for UN Anniversary

*SK2210020995 Seoul THE KOREA HERALD in English 22 Oct 95 p 2*

[Report by correspondent Chon Si-yong]

[FBIS Transcribed Text] New York — President Kim Yong-sam arrived here Saturday to join the world's leaders for the celebration of the 50th anniversary of the United Nations.

Kim, who flew from Ottawa where he held summit talks with Canadian Prime Minister Jean Chretien, will address the U.N. General Assembly Sunday.

President Kim will take the podium as the 11th speaker of the special U.N. summit meeting that will attract about 150 heads of state and government from around the globe.

U.S. President Bill Clinton will lead off the round of speeches.

Officials said the title of Kim's address is "Change and Reform in the United Nations: A New Start for an Era of a Global Community in the 21st Century."

Yu Chong-ha, Kim's chief foreign policy advisor, said that, in his speech, the President will look back upon the achievements of the United Nations and present a future course for the world organization.

"At the same time, President Kim will demonstrate South Korea's strong will to more actively participate in U.N. activities," Yu said.

Yu, a career diplomat who served as South Korean ambassador to the United Nations until last December, said he expects that no leader will be able to send as convincing message as Kim when it comes to its accomplishments and future direction because the existence of the U.N. and South Korea are historically closely linked together.

Fifty years ago, at the end of World War II, both the United Nations and South Korea, liberated from Japanese colonial rule, were created.

It was also under a U.N. resolution and supervision that South Korea established a capitalist government south of the 38th parallel in 1948.

Then, the outbreak of the Korean War, the U.N. Security Council acted swiftly to send a coalition of multinational forces to repel the attacking North Korean People's Liberation Army.

The United Nations also took a leading role in organizing international efforts to help South Korea rehabilitate from the ruins of the 1950-53 war and build what has become the world's 11th largest economy.

"Now, just four years after joining the United Nations, we are on the doorstep to the U.N. Security Council," Yu said, adding that the case of South Korea may well be described as a "success model" of the world body's accomplishments.

Officials said South Korea, having already won a pledge of support from about 167 of the 185 member states, is certain to win a nonpermanent membership of the Security Council in an election scheduled for Nov. 17.

"It is against this backdrop that President Kim will present the case of South Korea as a success model of the works of the United Nations and call for its continuing and larger role in the world affairs as the phrase, 'change and reform,' in the title of his speech suggests," Yu said.

### Addresses UN General Assembly

*SK2310022795 Seoul THE KOREA TIMES in English 23 Oct 95 p 2*

["Abridgement" of address by ROK President Kim Yong-sam at the special commemorative UN General Assembly on the occasion of its 50th founding anniversary in New York on 22 October]

[FBIS Transcribed Text] First of all, I would like to pay tribute to the leaders who founded this world body half a century ago and to the courage and hope for the future they shared after overcoming the despair and frustration born of two world wars. Their dreams of a better world have already changed our planet tremendously and have affected each one of us.

I would like to take this opportunity to express my heartfelt respect for all those who have spearheaded the effort to fulfill the United Nations charter. The world is undergoing drastic change.

Riding the crests of the information age and globalization, the international order is not only undergoing an epochal change, but human civilization itself is being radically transformed.

Change and reform in the United Nations are necessary if it is to maintain the new world order.

While welcoming a series of discussions which has been held on the reform of the United Nations, I would like to express my views on the issue.

First, the United Nations has to be democratized and made more efficient, and every region of the world must be more equitably represented on the Security Council. In particular, I agree with many other member nations that the number of council of council members with veto power — a power that has crippled the United Nations for a long time — should not be raised.

Second, the United Nations function of preventing conflict should be strengthened.

Third, the United Nations must respond more actively to the demands for economic, social and environmental development. In order to attain true world peace and security, economic and social conflicts in the international community have to be resolved at all costs.

Fourth, the United Nations has to actively undertake activities that give priority to human beings and families. The ideas of "human security" and "family values" presented at the United Nations World Summit for Development last March will be the most important goals for people around the world in the 21st century.

Fifth, new plans must be established for the burden-sharing and administration of the additional budget arising from the strengthening of U.N. functions. I believe that the sooner the United Nations undergoes change and reform, the better it will be for our world. To that end, I hereby propose that a special general assembly for the U.N. reform be held.

The Republic of Korea was established in accordance with a U.N. resolution in 1948. At that time, it was one of the poorest countries in the world. Today it is the 11th largest economy in the world and a truly democratic national. [sentence as published] Our access has been a great manifestation of the ideals of the U.N.

We are now one of the most active member nations in U.N. activities around the globe. We are already participating in the U.N. peacekeeping operations in the Western Sahara, Georgia, Angola and elsewhere.

The Republic of Korea will also actively take part in various U.N. development and environmental projects, and increase its monetary contributions. In order to help eradicate disease among children around the world, the Republic is building an International Vaccine Institute in Korea with help from the U.N. Development Program.

I am convinced that the Korean Peninsula will surely be unified in a democratic way in the not-too-distant figure. I humbly and sincerely ask you all to become solid supporters for the peaceful unification of Korea.

Heads of states and governments, Mr. President, Mr. Secretary- General, and representatives of member nations, I sincerely hope that this special U.N. summit meeting will be recorded as a bright milestone in world history. We share the cherished desire to turn the 21st century into an age of a true global community in which we can coexist and prosper together. In order to achieve that goal, I believe that solidarity among world leaders is the single most important factor.

I hereby respectfully propose that a United Nations summit meeting be held every five years.

### OECD: Reform Program 'Needs To Be Speedier'

*MS2010114295 London FINANCIAL TIMES in English 20 Oct 95 p 6*

[Report by Jack Burton: Seoul Urged by OECD to Speed Reforms"]

[FBIS Transcribed Text] Seoul — A survey mission from the Organisation for Economic Co-operation and Development [OECD] has told South Korea it must do more in removing barriers on capital movements and invisible trade if it wants to join the group of advanced industrial nations by next year.

The OECD mission, which has just completed a study trip to Korea, said the country's five-year financial reform programme was "well thought-out but needs to be speedier", according to the Ministry of Finance and Economy in Seoul.

The biggest concern was raised over restrictions on capital movements, which include foreign direct investments, property transactions and the opening of financial markets to international investors. Korea meets only 12 of the OECD's 91 requirements on capital transfers.

The 18-member delegation from the OECD Secretariat raised the possibility that Korea's application might be blocked by member states "unless significant improvements are made" in capital movements.

It recommended a significant increase in the foreign share- holding limit in a listed company beyond the present 15 per cent, the easing of rules on takeovers of Korean companies by foreigners, and a wider opening of the bond market to overseas investors.

Korea argues that it must pursue a gradual liberalisation of capital movements because of concerns that a rapid inflow of overseas funds, attracted by the country's high interest rates, would destabilise the economy by increasing the money supply and inflation and cause the Korean currency to appreciate.

But the OECD group disagreed with this assessment and suggested such fears were exaggerated.

Korea also falls short of meeting requirements on invisible trade, having fulfilled 30 of the 57 OECD liberalisation codes in this area.

The delegation expressed reservations about the extent of the opening in the insurance sector.

It remains uncertain how Korea will respond to the OECD's recommendations. Seoul is seeking exemptions from some requirements, with the promise that they will be met later.

But some OECD members are believed to be demanding that Korea should fulfil significant portions of the group's codes before being allowed to join because of Seoul's record in delaying or reversing liberalisation measures.

Mr Robert Rubin, the US treasury secretary, said last week that OECD entry requirements cannot be specially eased for Korea.

Mr Hong Jae-hyong, the finance and economy minister, recently suggested that Korea may be forced to delay its scheduled OECD membership beyond 1996.

## Kim Yong-sam, Canadian Premier Hold Summit Talks

*SK2110031295 Seoul THE KOREA HERALD in English 21 Oct 95 pp 1, 9*

[Report by Korea Herald correspondent Chon Si-yong]

[FBIS Transcribed Text] OTTAWA — South Korea and Canada Friday set an ambitious blueprint to double their annual two-way trade volume to $10 billion by the year 2000.

President Kim Yong-sam and Canadian Prime Minister Jean Chretien also agreed to expedite bilateral cooperation in such sophisticated industries as information and communications, environment and bioengineering.

The summit talks, held at the parliament building, paved the way for Korean Air to increase the number of its weekly flights to Vancouver and Toronto from three to seven.

The two countries will begin aviation negotiations this month to follow up on the agreement reached between the leaders.

The Kim-Chretien talks, the third between them in less than two years, also led to the agreements that:

— Canada will deal with North Korea's possible moves to improve relations with Ottawa by taking into account whether such developments can contribute to improving inter-Korean relations and encouraging open-door policies in the North. — Canada will continue to support Seoul's efforts to achieve peace and stability on the Korean Peninsula.

— Canada will take active participation in the KEDO (Korean Peninsula Energy Development Organization) consortium set up to provide North Korea with two light-water nuclear reactors.

— The two sides will launch the "Korea-Canada Forum" to promote cultural and academic exchanges and expand trade and investment partnerships.

— They will make joint efforts to actively participate in the activities of the APEC (Asia-Pacific Economic Cooperation) forum and the United Nations, including its peacekeeping operations (PKOs) and discussions about how to restructure the world organization.

After making these and other agreements during their hour-long summit talks, President Kim and Prime Minister Chretien watched their ministers sign five pacts that will lay the institutional framework for their accords.

They included agreements to create a Korea-Canada Industrial and Technological Cooperation Committee, grant "working visas" to youths aged between 18 and 25 from next year, promote agricultural cooperation and cooperation in the management of national parks.

In a joint news conference rounding up their discussions, President Kim expressed satisfaction with the results of his talks with Chretien.

"All of these agreements will lay the foundation for our two countries to further develop relations of more comprehensive cooperation," Kim said.

The Korean President, in particular, noted that he and the Canadian leader highly evaluated the fact that mutual trade and investment have been growing greatly since Seoul and Ottawa established a "special partnership" two years ago.

The special partnership was established by Kim and Chretien during their first summit meeting held on the sidelines of the APEC summit in Seattle in November 1993.

Korean officials said that the special partnership was behind the impressive growth in bilateral economic ties between the two countries.

In 1994, two-way trade volume, which has gone downward curve since 1990, rose 10.6 percent to $3.4 billion and it is expected to reach $4.5 billion this year.

Korea is now Canada's seventh biggest trading partner, while Canada is Korea's 13th-largest trading nation.

Canada is also the fourth largest destination for Korean foreign investment, which stands at $440 million in 56 cases.

"We expect that President Kim's visit and the summit accords will provide a major impetus in deepening and expanding further economic cooperation," said Yu Chong-ha, Kim's chief foreign policy advisor.

In fact, economic agenda was high on President Kim's mind throughout his first state visit to Canada, the first leg of his 13- day trip that will take him to the United Nations.

Kim, especially, called for the Canadian side to expand cooperation with South Korea in such high-tech industries as the environment, aerospace, biotechnology and computers.

In line with the President's initiatives, chief executives of leading Korean businesses and economic organizations signed 15 memorandums of understanding (MOUs) with their Canadian counterparts.

The accords call for the two sides to build close cooperative relations in, among others, technology, sewage treatment, telecommunications, cosmetics and log processing.

A group of 28 top Korean businessmen is accompanying President Kim on his six-day tour of Canada.

Upon winding up his Canadian trip, Kim will fly to New York Saturday, where he will address the United Nations General Assembly Sunday on the occasion of the special summit celebrating the 50th anniversary of the world body.

### Seoul, Switzerland Sign MOU on Technology

*SK2010124595 Seoul YONHAP in English*
*0811 GMT 20 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 20 (YONHAP) — South Korea and Switzerland on Friday signed a Memorandum of Understanding (MOU) on science and technology cooperation at the first South Korea-Switzerland round-table on science and technology held at the Ritz-Carlton Hotel in Seoul.

Initiated by the Swiss Government, the bilateral consultative meeting will be held every two years pertinent to the MOU, said an official at the Ministry of Science and Technology.

At the two-day meeting that opened in Seoul Thursday, discussions were held on ways to cooperate in such fields as precision machinery, chemicals, pharmaceuticals and information technology as were debates on such issues as joint research projects, seminars, workshops and the exchange of scientific personnel, the official added.

Prior to the meeting, a Swiss delegation, headed by John C. Badoux, president of the Swiss Academy of Technical Sciences, met with South Korean Science-Technology Minister Chong Kun-mo and visited several governmental, industrial and academic organizations, the official said.

The second round-table is scheduled to take place in the European country in 1997, the official noted.

### Floor Leaders Ask Probe of No's 'Secret Funds'

*SK2010124695 Seoul YONHAP in English*
*1201 GMT 20 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 20 (YONHAP) — The floor leaders of the four major political parties met Friday afternoon on the issue of the alleged secret funds of former President No Tae-u and adopted a joint request for a thorough investigation of it by the administration.

The request was promptly forwarded to Prime Minister Yi Hong-ku.

The floor leaders said in the request they were asking for an extensive probe into the alleged secret funds so as to shed light on the allegation and clear public suspicion about it.

They noted that Rep. Pak Kye-tong of the Democratic Party produced the Shinhan Bank account number of the deposit of 10 billion won said to be part of No's 400-billion-won secret funds.

### Businessmen Tied to 'Secret Fund' Case Disappear

*SK2010115995 Seoul YONHAP in English*
*0724 GMT 20 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 20 (YONHAP) — Businessmen and bank officials named in connection with former President No Tae-u's alleged secret 400 billion won fund stashed in borrowed-name bank accounts in February 1993 have apparently disappeared as of Friday morning, increasing the public suspicions about the case.

Choe Kwang-mun, 63, president of the Hanshin Enterprise Co., who was known to have allowed his brother-in-law, Yi U-kun, manager of Shinhan Bank's Sosomun branch at the time, to open an account for 10 billion won under his name, left his home in the Hanyang Apartment Complex in eastern Seoul at around 10:00 AM Thursday, immediately after Rep. Pak Kye-tong of the opposition Democratic Party, in a speech at a house interpellation session, claimed No hid the secret funds in 40 bank accounts opened under borrowed names just before he retired in February 1993.

He has since been out of sight, according to his family members.

Yi U-kun, now loan manager of Shinhan Bank, did not return to his home Thursday night and has since not responded to any telephone calls.

Ha Chong-uk, 41, president of Wooil Distribution Co., who told Rep. Pak that at Yi U-kun's request he allowed Yi to use his father's name to open an account for 10 billion won, also did not return to his home Thursday night. On Friday morning, his home in the Misong Apartment Village in northwestern Seoul was empty, with all his family members gone.

Ha's father, Pom-su, was also not at his home in the Kaenari Apartment Complex in southern Seoul Friday morning. His wife was there alone.

Yi Hwa-ku, assistant manager of Shinhan Bank's Sosomun Branch in February 1993 when he used the name of his brother-in-law Choe Kwang-ung, president of Sobu Iron and Steel Co., to open an account for 10 billion won, also disappeared, as did Choe.

In a related development, Rep. Chang Chun-ik of the opposition Democratic Party demanded, in an interpellation speech in the house Friday morning, that since former President No was again accused of stashing secret funds, the government is immediately taking steps to bring Kim Chong-hui, who served as senior security secretary to No when he was president, back home from the United States to investigate him about his possible involvement in No's alleged secret fund case.

Kim went to the United States in 1993 when the prosecution probed an arms purchase scandal involving him and he has since remained in that country.

Prime Minister Yi Hong-ku said since there is no extradition agreement with the United States, the government is trying to persuade him through various points of contact to return home of his own accord.

### Overnight Probe Into 'Secret Fund' Case Begins

*SK2110115695 Seoul YONHAP in English*
*1113 GMT 21 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 21 (YONHAP) — The Prosecutor-General's Office on Saturday afternoon summoned six bank officials, including Sinhan Bank's executive Yi U-kun, who were charged by the Office of Bank Supervision and Examination with violating the Emergency Law on the real-name financial transaction system by leaking the existence of 30 billion won in Sinhan Bank's accounts opened under borrowed names.

Also, the prosecution took an additional step to keep two Sinhan Bank officials and two business leaders from leaving the country, brining the total number of people restricted to seven in relation to the 400-billion-won secret fund case.

The prosecution received warrants from the court to seizure and search seven places, including main offices of Sinhan Bank, Tonghwa Bank and Commercial Bank of Korea.

"We first had made seizures and searches for Sinhan Bank, in which the 30 billion won at issue is deposited, and a residence of Yi U-kun, who disclosed the existence of the money," a prosecutor said.

The prosecution included Tonghwa and Commercial Bank as its investigation targets since Rep. Pak Kye-tong had alleged that former President No Tae-u has stashed away the 400-billion-won secret fund in the banks' accounts opened under borrowed names, the prosecutor explained.

### Government Seizes Sinhan Bank Accounts Deposits

*SK2110120195 Seoul YONHAP in English*
*1144 GMT 21 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 21 (YONHAP) — The government on Saturday decided to confiscate the entire amount of 30 billion won deposited in the borrowed-name accounts of Sinhan Bank in the event that the money is found out as an illegally-secured political fund through the prosecution's ongoing probe.

"If the controversial 30 billion won has been created not through official aid associations, but through unlawful methods, the money will naturally be seized by the government as national property pertinent to the political fund law, an official at the Economy-Finance Ministry said.

And if the money is proved as that of a private moneylender or a secret fund of a company, the National Tax Administration will launch an investigation into those concerned and the source of the money to find out whether or not they dodged a tax, the official noted.

### Tax Administration on Probing 'Secret Fund'

*SK2110074495 Seoul YONHAP in English*
*0637 GMT 21 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 21 (YONHAP) — The National Tax Administration (NTA) said Saturday that at present, it cannot launch a tax probe into the alleged 400-billion-won secret fund case only on the ground of Pak Kye-tong's allegation that former President No Tae-u has stashed away the huge secret money.

The national tax body will start a tax investigation in case when suspicions on a tax evasion are found out through the prosecution's ongoing probe into 30 billion won deposited in Shinhan Bank accounts opened under borrowed names, a ranking NTA official said.

"We are just collecting basic materials on related persons because the prosecution is conducting its investigation into the alleged secret fund case. It's a long-established practice not to institute simultaneous probes when the prosecution's investigation is underway," the official noted.

The tax administration will begin a tax inquiry when an owner of the 300-billion-won borrowed-name accounts in Shinhan Bank's Sosomun Branch is revealed, the official said.

### Aide Admits 'Secret Fund' Belonged to No Tae-u

*SK2210101295 Seoul YONHAP in English*
*0950 GMT 22 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 22 (YONHAP) — The 30 billion won being deposited under borrowed names at Sinhan Bank have been discovered to belong to former President No Tae-u, the prosecution Administration said Sunday.

The Central Investigation Dept of the Prosecution Office said Yi Hyon-u, 56, former key aid to No told the prosecutors on the case the money was leftover from the political fund account of the former president, which he managed. Yi was chief security officer (1988- 1992) as well as director of the powerful Office of National Security Planning (1992-1993) under No.

The prosecution's office said Yi volunteered to provide information on the fund. He phoned the prosecutors and told them he will come and see them at 3:30 P.M. [0630 GMT], Sunday, which he did.

Yi said the political fund was created because the official expense allowed for the president was not enough to meet all the expenses required by the president's office.

Chief Prosecutor An Kang-min, who has been in charge of the prosecution probe into the secret fund, said the political fund never the less is sort of a secret slush fund and therefore, subject to investigation as to how it was created, and if those involved with the fund broken the law, they will be charged by the prosecution.

Now that the owner of the secret fund has been revealed, the prosecution authorities inevitably have to probe how it was collected and prosecute those involved if they found they violated laws during the process of creating the fund, prosecution sources said.

The prosecutors would have to investigate further to see if any other secret fund existed during the No regime, possibly by summoning the former president himself for direct questioning by the prosecution, they said. The investigation might have to be expanded to include the entire amount of secret funds kept by the former regime of President No.

Yi joined the No administration on February, 1988, as chief of the presidential security. He has been known to have served under No in the army, also.

Meanwhile, Yi visited former President No at his home Friday to inform him that the fund was leftover from the political fund kept by No, No's personal secretary Pak Yong-hun said.

He said No told Yi to go voluntarily and tell the prosecution the truth during the meeting on Friday evening.

### Prosecution Says No Tae-u Created Secret Fund

*SK2310034595 Seoul YONHAP in English*
*0236 GMT 23 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 23 (YONHAP) — The controversial money kept in borrowed-name accounts at a Sinhan Bank branch proved to have been raised by former President No Tae-u as a secret political fund while he was in office, prosecution officials said Monday.

The officials also said that the total amount of the money kept under related borrowed-name accounts in the Sosomun branch of the bank totaled 48.5 billion won at one point.

No turned the money over to his Chief Security Guard Yi Hyon-u in checks and had him manage it. Yi was quoted as testifying to the prosecution, however, that he did not know the total amount of the secret fund, an official said.

Of all the money, about 12.1 billion won was withdrawn around the time when No wound up his service as president in February 1993, he said.

With these facts disclosed, it has become inevitable that the prosecution will question former President No about the fund. And the prosecution is expected to investigate "thoroughly" into secret political fund case involving the former head of state.

An opposition lawmaker made allegations about the existence of a secret fund created by former President No at a recent interpellation session at the National Assembly, asserting that the fund has reached 400 billion won (about 521 million dollars).

A senior prosecutor said, "The prosecution plans to investigate the No secret fund case as the assertions that an alleged 400 billion won secret fund exists have aroused suspicions among the people. We plan to question No, too."

He emphasized that if the fund was created illegally, then the prosecution can take legal measures against anyone involved including former President No.

The Supreme Public Prosecutors' Office, in charge of the investigation, questioned Yi Hyon-u until about 3 AM Monday and confirmed that the 36.4 billion won remaining in the accounts at Sinhan Bank were part of a secret fund created by former President No.

Yi was quoted as saying that he received the checks from former the president in person but added that he could not have known how No created the fund.

Therefore, the prosecution plans to question No about where the money came from and where he used it. The prosecution is studying whether to visit the former president for their investigation or to send him a written questionnaire.

Meanwhile, the prosecution is also investigating into the alleged existence of another secret fund, as a former prosecutor disclosed its existence.

Former Prosecutor Ham Sung-hui, currently a lawyer, recently published a book in which he said that he discovered a secret fund worth tens of billions of won deposited in an account at the Commercial Bank of Korea's Hyoja-tong branch under the name of 'Chonguhoe" in 1993. Hyoja-tong is located near Chongwadae [presidential offices], the presidential mansion.

### Lawmakers Focus on No Tae-u's Secret Fund Case

*SK2310060195 Seoul YONHAP in English*
*0256 GMT 23 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 23 (YONHAP) — In an interpellation session at the National Assembly Monday morning, both government and opposition lawmakers focused their questions on allegations about former President No Tae-u's secret fund which reportedly totals 48.5 billion won (63 million U.S. dollars).

Showing their anger over No's earlier denial of the fund's existence, they urged the government to delve into the truth about the endowment No illegally raised while in office.

Rep. Che Chong-ku of the opposition Democratic Party (DP) asserted that No confessed to having stashed the money in borrowed- name bank accounts, reversing his earlier denial, to hide the larger 400-billion-won fund that allegedly belongs to him. The prosecution should summon No for questioning about the alleged 400-billion-won fund and immediately start reinvestigating all the financial scandals involving the Sixth Republic under No's rule, Che demanded.

Rep. No Sung-u of the ruling Democratic Liberal Party (DLP) urged the government to conduct a complete investigation of No's secret fund that allegedly amounts to 400 billion won in order to clear up every iota of suspicion about the former president's finances, adding that anyone found to have committed a crime should be dealt with strictly according to the law.

Rep. Yi Kyong-chae of the opposition National Congress for New Politics (NCNP) called for the forming of a special investigation team under President Kim Yong-sam's direct control to look into the secret fund case and demanded that the government probe all those who shifted false-name accounts containing 1 billion won or more to their real-name accounts under the real-name financial transaction system in 1993 and 1994.

Rep. Chang Yong-chol (DLP) said the prosecution should look into how No raised the money and where he used it so that no suspicions about the former president's finances are left uncleared.

Rep. Kim Tae-sik (NCNP), saying the president's emergency order implementing the real-name financial transaction system has loopholes allowing "men of influence" to hide their illicitly amassed fortunes safely, demanded the emergency order be replaced by a law requiring the use of real names in all financial transactions.

Reps. Na O-yon (DLP) and Pak Kyu-sik (United Liberal Democrats) also called for a thorough investigation of No's secret endowment and other such funds.

### Kim Chong-pil Denies Allegation of Conspiracy

*SK2310103095 Seoul YONHAP in English*
*0726 GMT 23 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 23 (YONHAP) — Kim Chong-pil, president of the splinter opposition United Liberal Democrats, on Monday categorically denied as untrue the allegations made by a U.S. State Department telegram which claimed that during the 1963 presidential election he conspired to assassinate both presidential candidates Pak Chong-hui and Yun Po-son.

In the State Department's confidential telegram No. 491, dated Oct. 15, 1963, which was declassified earlier this year, the then American Ambassador in Seoul Samuel Berger reportedly told the then U.S. Secretary of State Dean Rusk that "the Kim Chong-pil clique" intended to assassinate both candidates in succession if Yun emerged victorious in the election.

Hearing a report on the alleged conspiracy to commit the murders from one of his aides at the National Assembly, Kim was quoted by his Chief Secretary Rep. Yi Kung-kyu as saying, "Berger, based on a piece of information the Yun Po-son group leaked in a black propaganda scheme, made the report without confirming the facts. Hence the distorted report is too unworthy to even consider commenting on."

"I was staying in the United States at that time half on my own and half by coercion," Kim added.

Due to the intense power struggle in the ruling camp then, Kim resigned as director of the then powerful Korean Central Intelligence Agency, the predecessor of the Agency for National Security Planning, in January 1963 and left for the United States on Feb. 25 only to return home on Oct. 23 later that same year.

Yi maintained that the allegations are "totally groundless and nothing but a rumor," noting that the report in question mentioned Yun's secretary as the source of the information.

The 5th presidential election in 1963 was a bitter tug-of-war between the two candidates, with Pak Chong-hui narrowly beating Yun Po-son with 46.65 percent of the valid votes against Yun's 45.10 percent.

### Auto Sales in Domestic Market Said To Decline

*SK2310064595 Seoul THE KOREA TIMES in English 23 Oct 95 p 8*

[FBIS Transcribed Text] Sales of automobiles in the domestic market in the last couple of months have been down drastically over last year, forcing automakers into excessive competition.

Industry sources said yesterday that total sales of cars in the first nine months of this year totaled 1,113,000 units, down 2.2 percent over the 1,138,000 in the same period last year.

In September alone, Hyundai Motor, the nation's largest automkaer, sold just 57,166 cars, a decline of 4.0 percent over the 59,535 units sold in the same month last year.

Similarly, companies like Daewoo Motor and Kia Motors are also posting strong losses in their total sales, with Daewoo registering a drastic decline of 21.8 percent over September last year.

Industry experts said the main reason for the declines in auto sales is the procrastination by customers waiting for new models at the end of the year but the overall economic stagnation cannot be ignored.

"As the auto culture becomes more mature, consumers are more likely to wait around for more competitive models to reach the market," one senior official at Kia Motors explained.

At the same time, some consumers are taking a wait-and-see attitude in the hope of seeing more competitive and economical models from foreign countries, he added.

Korea and the United States recently agreed on a pack of tax reduction measures and American automakers are promising to bring in more compact and fuel-efficient vehicles into the local market. However, another leading reason for the fall in the number of cars sold is the inability of production capacity to keep up with domestic and foreign demand, and as a result customers are waiting months at times for delivery.

Nevertheless, automakers are eagerly coming up with a range of incentives to lure more buyers, one of which is the provision of lengthy installment plans with low interest rates, senior officials at the Korea Automobile Manufacturers Association (KAMA) noted.

Daewoo, which is making strong efforts to boost its market share, has extended the maximum installment period to 48 months for its light Tico model, making the product even more affordable.

It is also increasing its number of sales personnel to ensure that it can gain access to consumers in all corners of the country. "In the long run, consumers stand to benefit but companies will get hurt," one observer said.

Meanwhile, makers of such automobiles as recreational vehicles and four wheel drives are doing OK. Hyundai Precision Industries, for instance, has posted a growth of 115 percent for its Galloper jeep.

## Burma

### Article Sees Suu Kyi, NLD as 'Destructive'

*BK2110092795 Rangoon Radio Myanmar in Burmese 0415 GMT 19 Oct 95*

[Article by U Hpyo under the rubric "Today's Reading Material": "Easy for the Destroyer; Difficult for the Constructor" published in the MYANMAR ALIN and the KYEMON; dated 19 October]

[FBIS Translated Text] The author has assessed to date the efforts made by the defense services government for the noticeable development of the country. Firstly, after believing in the genuine goodwill of the defense services, which has saved the country and its citizens from falling into living hell, I felt truly grateful.

During the demonstrations [August 1988], it was very easy to punish or kill someone you despise. You didn't have to exert any unnecessary effort. All you had to do was tell the demonstrators that they were allegedly going to poison something, and they would do the rest. Parents have to bring their children up from babyhood, protect them from being infected by diseases and cure their ailments, and teach them to a certain extent for their livelihood. It is a real tragedy for a person, whose parents have spent a lot of time to bring him up into this world, to be accused and killed. It has been sorrowfully noted that more than 50 citizens have been accused and murdered countrywide including Yangon [Rangoon] during the unrest. I was appalled how easy it was then to kill someone.

Factories, mills, universities, schools, offices, and others, which took years to establish, were easily destroyed and looted to the point of worthlessness. Demonstrators and looters had exploited and profited from state-owned and public-owned properties during the democracy uprising. Statistics show that the losses of state-owned properties amounted to more than 600 million kyat [Burmese currency unit]. The defense services, investing their life, blood, and sweat, have sponsored the reconstruction of the disintegrated motherland. Responsible and patriotic citizens and employees, who understood the defense services genuine goodwill, cooperated and coordinated in the reconstruction. Our country has begun to reach the right path on the road to all-around development because of the constructive work of the defense services and the citizens who gave their sweat and blood.

As most of us know, the economy of the author's country is based on agriculture. The major factors for agricultural success are land and water. Although there is sufficient land for cultivation, sufficient amounts of water cannot be acquired for agriculture the whole year round. Year-round cultivation — summer, rainy, and cold seasons — can be achieved only in some regions where there are irrigation canals, dams, and reservoirs. The Kyaukse District irrigation region is one such example.

On the other hand, the population is increasing annually. Although the population was less than 14 million in the pre-independence days when the author was still young, it has reached almost 46 million now. Agricultural activities must be markedly increased to feed the extra 32 million mouths. The far-sighted defense services government's ability to fulfill this national need can be considered as a valuable act for the people.

The author wishes to reveal what he knows. The leader of the country, who was born and raised in the dry arid regions and knows the value of irrigation, has been giving necessary instructions to build dams and reservoirs costing millions of kyats in the regions that need them countrywide.

Before 1988, there were only 21 dams, but now in 1995 there are 54 dams and reservoirs. This cannot be considered a small achievement. It is not a short-term investment, either. The result of the defense services government's development effort will definitely benefit generations for thousands of years to come. The defense services government is not satisfied with just providing an ordinary solution for the present. It has planned for the future benefit of the country and its people. If it is a political party government elected by popular vote in the general elections, they will build one or two short-term projects and will be looking out for campaigning interests only. The defense services government is not like that. They are not afraid of facing any obstacle and problem so as to implement projects that will benefit the people.

When the author scrutinized the first economic objective — the development of agriculture as the base and all-around development of other sectors of the economy as well — he realized the farsightedness of the defense services government's development plan for long-term benefit — that is, none other than the construction of dams and reservoirs nationwide as needed to get year round water for agriculture. The author and the people will surely see the development of more than 50 new dams and reservoirs projects in Myingyan, Meiktila, Yamethin, Pegu, Monywa, Shwebo, Magwe, Moulmein, and Arakan regions. The defense services government is not only engaged in building dams and reservoirs, it is also actively building roads, bridges, buildings, houses, hospitals, dispensaries, schools, markets, parks, and pagodas which are needed in the country. It is evident the government is also undertaking the construction of costly airports and railroads and increasing the use of boats, trains, airplanes, and cars.

At a time when the leaders of the defense services government and responsible personnel are making untiring efforts for the direct benefit of the country and the people, there is a need for the energetic participation of the people. A group of people has emerged somewhere in Yangon [Rangoon] and like a mad monk and a rolling boat they have been luring ordinary people with their dry jokes and engaging in destructive activities. [reference to Aung San Suu Kyi and members of the National League for Democracy]

The Myawadi anyeik [traditional concert] competition to revive traditional anyeik culture was held not long ago. Instead of encouraging a new generation cultural artistes to bring out the cultural tradition, a group of former well-to-do persons have concocted a survey questionnaire and have staged Parasee-Gypsy type concerts that undermine the traditional values of the country. It is high time to stop these scandalous acts.

While merit-minded people are volunteering labor for the construction of the sacred Buddha tooth relic chedi in Yangon some education-minded persons are donating computers to schools. However, in a certain ward, group agitation and propaganda activities, irrelevant to the country's development and detrimental to youths, are being carried out. If only the author were a police officer from the city development committee he would definitely take action against this group for blocking a public road. [reference to people gathering outside Aung San Suu Kyi's house on University Avenue Road and listening to her speeches]

In the real world, it is hard to work but easy to comment and talk. Moreover, it is difficult to implement positive and constructive work but easy for a rogue to be engaged in destructive activities. The defense services, which saved the country when it was on the verge of drowning in shallow waters, its citizens almost falling into living hell, and Yangon nearly becoming like Bosnia, is now nursing the country back to health from all sides. It has also laid down the path for the emergence of a new democratic nation suitable for Myanmar [Burma] when the time comes. The people will bring about a suitable government in accordance with the new state constitution at an appropriate time. At the moment, it is necessary to assist in the successful implementation of the defense services government's 12 national objectives. However, the author as an ex-monk would like to warn whoever that hampers the implementation and obstruct the peace and tranquility, that they will meet with rejection from within their own group and at their own risk.

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## Thousands of Karens Left To Starve in Jungles

*BK2010013695 Bangkok THE NATION in English 19 Oct 95 p A6*

[Report by Yindi Loetcharoenchok]

[FBIS Transcribed Text] Thousands of ethnic Karen in Burma have been uprooted from their villages and left homeless in the jungle, where they are either starving or facing serious malnutrition.

While the exact number of those displaced is not known, information made available by Western and Karen relief workers indicates at least 10,000 have fled their homes since the middle of this year following harassment by the Burmese Army and renegade Karen forces.

The workers expressed hope that the UN's human rights envoy to Burma, Yozo Yokota, who is visiting the Thai-Burmese border, will be alerted to the situation which they described as "critical".

Although few of those fleeing persecution have entered Thailand so far — the majority have opted to stay in the jungle — aid workers fear more will arrive after the monsoon season or after the harvest.

According to aid workers, the harassment began in July in Burma's eastern Karen State, mainly in areas around Taungoo, Papun, Pa-an and Thaton.

They said reports from different areas contained similar accounts of abuse by the Burmese Army and the forces of the Democratic Karen Buddhist Army (DKBA).

The troops marched through villages, looting and burning homes, barns and rice fields.

The harassment was "so systematic that people fled to the jungle and stayed there", said one worker.

In Taungoo, 21 villages were destroyed and about 2,700 people took refuge in the jungle, in Mudraw 27 villages were raided and burned and 4,250 people displaced. In Bilin 12 villages were set ablaze and 2,700 people fled.

Abuses in Mudraw were reported as early as May, when 20 paddy fields were burned. Workers quoted displaced Karens from the area as identifying the Burmese Army's 74th and 77th and the DKBA's 777th battalions as being involved in the violence.

Fleeing villagers also complained about the Burmese Army's forced conscription of local people and "school-children" in Mudraw as porters for the troops.

"We often hear about it, but haven't got all the details. It takes place constantly," said one Karen official.

The Burmese and DKBA forces have been active in the areas since the guerrilla forces of the Karen National

Union lost their strategic strongholds and power base early this year. The KNU [Karen National Union] was forced to pull out of those areas and moved much further south after the fall of its Manerplaw headquarters.

The workers said most of the fugitives in the jungle are starving or facing serious malnutrition. The displaced are fast running out of food, and are surviving mainly on boiled roots, rice and leaves.

In some areas, fugitives hope to be able to go back and harvest their crops, but many are waiting for the end of the rainy season, when they plan to flee across the border, said the workers.

"Two or three hundred families will certainly cross into Thailand after the rainy season. It's really looking as if they're working their way through [to the Thai border]," said one relief official.

So far, most of the fugitives have crossed the Salween River into Thai camps north of Mae Sam Rap village in Mae Sariang district. Last month about 50 families fled into Thailand and are taking shelter at Ban Sala.

Western and Karen workers and Thai officials in Bangkok and Mae Sot confirmed that the DKBA, which was formed last December by defectors from the KNU, had recently renewed its incursions into Karen refugee camps in Thailand's Tak province, where they threaten and harass camp residents.

A Karen official said DKBA forces have entered Shoklo camp at least four times since September 23.

While local Thai officers considered the intrusions and violence as internal conflicts between the two Karen groups, the workers feared more DKBA harassment of refugees now that the dry season is approaching.

Two serious incidents took place on September 23 when the DKBA troops entered Shoklo at 11 pm and kidnapped two brothers, Win Kyi and Win Myint, and on October 6 when two refugees were shot dead during the raid about 8 pm.

## Ethnic Party Urges Junta To Start Dialogue

*BK2210152995 Hong Kong AFP in English 1101 GMT 21 Oct 95*

[FBIS Transcribed Text] Rangoon, Oct 21 (AFP) — A leading ethnic-based political party here has urged the ruling military junta to begin a dialogue to overcome the present political impasse and to achieve genuine "national reconciliation.

The Shan Nationalities League for Democracy (SNLD) issued a statement Friday saying conditions were ripe for such a move as all the nationalities, political parties and other organizations were "placing their future hopes" on it.

"We believe that a dialogue is the only peaceful political means to attain peace and harmony in the country," said the SNLD statement, a copy of which was made available to AFP.

The SNLD statement was released following a three-day meeting here of its thirty-member central executive committee and party members who won seats in the 1990 general elections.

The SNLD won 23 of the parliamentary seats, the second largest after the National League for Democracy (NLD) which took 392 seats.

"We firmly believe that it is also time to help find solutions to the sufferings of the common people by giving priority to peaceful means," the statement said.

The ruling military junta officially known as the State Law and Order Restoration Council (SLORC) nullified the results of the general elections, insisting instead in a new constitution before handing over power.

The SNLD is one of the opposition political parties attending a constitutional national convention in which the military has called for a power-sharing role in future Burma.

NLD and SNLD have indirectly rejected the demand and argued instead for a "genuine" form of democracy.

The controversial national convention which began three years ago appears to be making slow headway, especially with a further postponement after a recent six-month recess, analysts here noted.

The convention, earlier slated to resume next week, has now been re-scheduled for November 28.

Meanwhile, opposition groups including students have been calling for a tripartite dialogue which involves the SLORC, Nobel Peace laureate Aung San Suu Kyi and representatives of the ethnic-based armed groups.

The SLORC has maintained that it had made great strides towards national reconciliation, pointing to the successful ceasefire deals with 14 ethnic-based anti-government armed groups.

# Brunei, Malaysia & Singapore

## Malaysia

### Prime Minister Returns From NAM Summit

*BK2310084695 Kuala Lumpur RTM Television Network 3 in Malay 0530 GMT 23 Oct 95*

[Italicized passages in English]

[FBIS Translated Excerpt] Prime Minister Datuk Sri Dr. Mahathir Mohamed is prepared to meet with CEUPACS [Congress of Employee Unions in Public and Civil Services] to discuss the demand of over 800,000 public and civil servants for a salary readjustment. The prime minister said, however, that CEUPACS could not set any conditions for the meeting.

The prime minister and his wife, Datin Sri Dr. Siti Hasmah Mohamed Ali, arrived home early this morning after concluding an official visit to Peru and attending the Nonaligned Movement [NAM] summit in Cartagena. They were greeted by Deputy Prime Minister Datuk Sri Anwar Ibrahim and cabinet ministers on their arrival. [passage omitted]

The prime minister was also asked to comment on an ASIAWEEK magazine report that he would resign:

[Begin Mahathir recording] *I have made my statement over and over again.* What else should I say? They want to sell their magazine, and we must respect their right. *To sell a magazine, you must give controversial* reports. *But, we are just, well you know, for sale.* [sentence as heard] That is all. [end recording]

### Minister Says Taiwan Top Foreign Investor

*BK2010153595 Kuala Lumpur THE STAR in English 20 Oct 95*

[BERNAMA report: "Taiwan is Malaysia's top foreign investor" — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur—Taiwan is now the top foreign investor in Malaysia and has 895 projects with a proposal capital investment of [new Taiwan dollar] NT$171,925.5 million (about [Malaysian ringgit] RM6,161 million) between 1990 and September.

International Trade and Industry Minister Datuk Sri Rafidah Aziz said yesterday the bulk of the Taiwanese investment was channeled into the basic metal products industry, electrical and electronics products industry, and textile and textile products industry.

These industries collectively accounted for 65 per cent of all Taiwanese investments approved during the review period, she said at the Investment and Business Opportunities in Malaysia seminar in Kaoshiung, Taiwan.

The text of her speech was released here.

Rafidah said for the first nine months of this year, the Government approved a total of 92 projects with Taiwanese capital participation valued at NT$10,071 million (RM946.7 million).

"The increasing trend of Taiwanese investment in Malaysia is indeed a testimony of the confidence that the Taiwanese business community has of Malaysia as a profitable investment location," she added.

Rafidah said Malaysia was keen to attract Taiwanese small and medium industries (SMIs), especially through joint-ventures with local partners.

Malaysia would also like Taiwanese businessmen to consider setting up their companies' operational headquarters in Malaysia and to look at Malaysia as a gateway to the other Asean countries, she added.

On bilateral trade, total trade between both countries increased by over 104 per cent from NT$65,212.8 milliom (RM6,130 million) in 1990 to NT$133,510.6 million (RM12,550 million) last year.

### Article Views Problems Facing Osaka Summit

*BK2010160995 Kuala Lumpur THE STAR in English 20 Oct 95*

[Article by Charles Chan: "Split threatens Apec meeting"— received via Internet]

[FBIS Transcribed Text] Hong Kong—Unless the ministers can pull something out of the hat, there is a strong possibility that next month's summit of Asia Pacific Economic Co-operation (Apec) leaders in Osaka may become a farce.

After four rounds of intensive talks, senior officials of the Apec forum have failed to reach consensus on how trade liberalisation should be implemented.

The 18 Apec economies are split between those who want the deadline of 2010 and 2020 for developed and developing countries and those who want to do it at their own pace.

Anxious to prevent a failure, summit host Japan has proposed a self-serving compromise in which members are asked to back a plan for free and open trade and investment in the region while allowing a nonbinding rule permitting exceptions to sensitive sectors like agriculture.

Japan, China, Taiwan and South Korea want agriculture to be exempted from the plan while the majority of members are opposed to special treatment as it would encourage others to seek similar treatment for other sectors, until "there is nothing left on the table".

The impasse has vindicated Malaysia's insistence that Apec, as a forum for loose consultation, has no business duplicating the World Trade Organisation by starting another round of negotiations on trade liberalisation.

"We have just completed seven, long years of talks under the Uruguay Round.

We have yet to implement the recommendations. Who wants to start another round again," an exasperated Datuk Sri Rafidah Aziz said yesterday.

The Minister of International Trade and Industry said Malaysia had been consistent in its stand and was not about to make or accept any compromises at the Osaka summit.

In view of the stand-off, it would be up to the ministers to hammer out an acceptable plan, failing which the buck would be passed to the respective national leaders.

"I don't see any major movement (towards a successful summit)," she said.

Rafidah hoped it won't come to the stage where leaders would be going to Osaka to endorse a face-saving communique that really won't take Apec any nearer to the goal of trade liberalisation.

She said Malaysia had not yet decided whether Prime Minister Datuk Sri Dr Mahathir Mohamed would go to Osaka and which other minister (including herself) would attend the ministerial meeting.

"Obviously members of Apec are not prepared to sit down and commit themselves to trade liberalisation. Apec has lost its credibility," she told reporters after opening a seminar on investment opportunities in Malaysia organised by Malaysian Investment Development Authority (Mida) and the Malaysian External Trade Development Corporation (Matrade).

Rafidah said Malaysia had always insisted proposals made at Apec meetings should be accompanied by the preamble stating "in the non- binding Apec process for market liberalisation"

"There shouldn't be any deadlines. The more developed members can do it faster, the less developed members should be allowed to take their time.

Let's be realistic and have a broad, non-binding framework all can accept," she said.

Asked about progress in the setting up of the Malaysian-initiated but now Asean-adopted East Asia Economic Caucus (EAEC) project, Rafidah said Japan was still holding out.

"The world is wondering why Japan is so reluctant to recognise it is part of East Asia but seems more interested in acting as a spokesman for others," she said in reference to Tokyo's recent call for Australia and New Zealand to be included in the Asian continent for a proposed Asia-Europe conference.

Speaking on Malaysia's position on the issue of freeing financial services as demanded by the US, she said foreign content was already very high in the small Malaysian financial services sector.

"If we are to open up our financial services sector, we will be deluged by foreign banks. A Malaysian bank setting up in an American city will hardly be notice but an American bank in Malaysia will have a very big impact," she said.

However, foreign firms were welcome to other financial services like re-insurance, she added.

The Minister also dismissed fears expressed by some economists that the economy was overheating and remedial measures were needed.

"Why should we dampen the economy? As long as we are aware of the problem and know what to do, there is nothing to be concerned about. We are monitoring the economy sector by sector," she said.

## Singapore

### General Views Impact of China's Economic Reforms

*BK2010150995 Singapore BUSINESS TIMES in English 20 Oct 95*

[Unattributed report — received via Internet]

[FBIS Transcribed Text] China's economic reforms present Singapore with great opportunities but will also pose "considerable competition" to the Republic for the long term, Brigadier-General Lee Hsien Loong said yesterday.

The dynamism and transformation of places such as Suzhou, Wuxi and Pudong in Shanghai must be seen to be believed, said the Acting Prime Minister, who visited them recently.

For example, American multinational Seagate is now making 500 megabyte disk drives in Wuxi. By next year, the plant will be upgraded to turn out 1 gigabyte drives.

Seagate still employs many workers in Singapore to make disk drives despite the higher wages here because business operations in China are still hampered by too many rules and obstacles, said BG [Brigadier General] Lee.

"But as the Chinese government gradually sorts this out and improves China's investment climate, and as our wages increase year by year, our lead will narrow," he said.

Singapore, short of people at every level, has done well nonetheless "because our system works," said BG Lee. China's system, however, has a surplus of talent but is plagued by red tape and corruption.

## Cambodia

### Sihanouk's Cataract Operation 'Very Successful'

*OW2210111995 Beijing XINHUA in English 1025 GMT 22 Oct 95*

[FBIS Transcribed Text] Phnom Penh, October 22 (XINHUA) — King Norodom Sihanouk this afternoon returned to Cambodia from Beijing, China by special Cambodian aircraft.

The king was accompanied by Queen Monineath Sihanouk throughout the trip.

Sihanouk went to Beijing on September 16 for an eye operation. He told foreign diplomats waiting for his arrival at the Pochentong International Airport, "My eye operation made by the Chinese doctors is very successful, now I can see very clearly."

The queen said to the foreign diplomats that the king now can see as clearly as he was at the age of 40.

King Sihanouk, 72, underwent a cataract operation in Beijing.

### Tie Banh Confirms Air Bombardment of Rebel Area

*BK2210073995 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 21 Oct 95 pp 1, 9*

[Report by Vanna]

[FBIS Translated Excerpt] General Tie Banh, cominister of national defense, has confirmed that there have been air bombardment of the areas controlled by the Khmer Rouge [KR]. The defense minister told reporters outside the National Assembly hall on 19 October that "one can freely comment on air bombardments or shellings to break up the KR rebels. However, the important thing for the Khmer Royal Armed Forces [KRAF] is to do whatever it can to effectively ensure peace, security, and law and order for the people in general."

Gen. Tie Banh reaffirmed that the KRAF will try to gradually boost its ability in defending the entire Kingdom of Cambodia in keeping with the constitution, where there is a clause stating that Cambodia is an indivisible state. [passage omitted on Khmer Rouge's exploitation of logs and precious stones in regions under its control]

### Khmer Rouge Continues Attacks on Railroad Network

*BK2310012995 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 22 Oct 95 pp 1, 5*

[Report by Peyatro]

[FBIS Translated Excerpt] Despite joint measures by the Ministries of National Defense and Interior to protect the railroad network, a small group of Khmer Rouge rebels continue to carry out destructive activities.

According to military sources in Kompong Chhnang Province, the Khmer Rouge have sneaked into Toek Phos District in northwest Kompong Chhnang and mined the railroad at four places, causing damage to a bridge and 10 meters of track.

Cambodian Railway Director Pich Kimsreang told REAKSMEI KAMPUCHEA that the hot spot on the railroad is between Kdol and Bamnak stations in Kompong Chhnang and Pursat Provinces, where Khmer Rouge rebels have used mines to destroy bridges, culverts, and track in many places. Five bridges and four culverts have been completely destroyed; segments of the track have also been damaged by the rebels' mines.

Sources say that the Khmer Rouge rebels tend to sneak in and lay mines along the 40-km stretch of the railway line guarded by the National Police force between Toek Phos District and Kdol station. [passage omitted]

### Chea Sim Opens National Assembly Session

*BK2210073895 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 21 Oct 95 p 2*

[Report by Kroesna]

[FBIS Translated Excerpt] Samdech Chea Sim, acting head of state, stated at the opening of the fifth session of the National Assembly's First Legislature on the morning of 19 October that although many difficulties still remain, we have achieved a great many social gains that enable us to make headway. All the people's representatives have been involved, according to their ability, in the process of defending and building the nation, promoting democracy, respecting human rights, and protecting freedom, lives, honor, dignity, and lawful assets of the people... [ellipsis as published]

Samdech Chea Sim praised the assembly, saying these contributions and achievements made by the assembly in the interests of the people from all walks of life are commendable.

Samdech Chea Sim opened the National Assembly session as head of state on behalf of His Majesty King Norodom Sihanouk Varaman.

The following four items will be debated and approved at this assembly session:

1. Report on the activities performed by the National Assembly between the fourth and fifth sessions.

2. Draft law on the creation of a state secretary at the Council of Ministers office.

3. Draft law on the organization and function of the National Bank.

4. Proposal to amend certain points of the assembly's internal regulations. [passage omitted on national assembly process]

### Postponement of Party Congress Viewed

*BK2010160395 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 20 Oct 95 p 2*

[Report by Pranet]

[FBIS Translated Text] Prince Kromkhun Norodom Sirivut has denied speculation over the postponement of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party congress and says there is nothing wrong. He says that postponement of the congress is due to "technical problems."

FUNCINPEC planned to hold its congress in November this year; however, it announced recently that the congress would be postponed for five months, until late February of next year.

Postponement of the congress coincided with an announcement by [former Finance Minister] Sam Rangsi on the creation of the "Khmer Nation Party." Some analysts have linked the two events and have concluded that FUNCINPEC needs to delay the congress in order to reorganize the party's inner circle following the establishment of Sam Rangsi's party. The delay is also due to the fact that the number of party officials intending to switch to Sam Rangsi's party is still unknown.

The prince kromkhun said that the reason the party congress has been postponed until next February is that FUNCINPEC needs more time to meet other national commitments, especially visits to rural areas.

It is worth recalling that the prince kromkhun used to say that "FUNCINPEC has the goal of obtaining 50 percent of the district governorships and commune chief posts nationwide in the upcoming local elections."

Some sources say that FUNCINPEC's postponement of the congress is somehow due to the fact that the party is in the process of screening its members because some party officials have deviated from party leaders' directives or have acted against party policy.

### Rebels Rap Bid for Sihanouk To Control Elections

*BK2110102395 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 19 Oct 95*

[Unattributed commentary: "Why Do Communist Vietnam, the Alliance, and the Two Heads Frantically Drag His Majesty the King from the Iron Cage To Be Sullied in Their 1998 Election Scheme?"]

[FBIS Translated Text] Lately, the two heads and the propaganda apparatus of their masters have ballyhooed about their plan to offer his majesty the king the role of so-called supreme commander of the communist Vietnamese puppet army and police, in preparation for the 1998 election scheme to ensure what they called neutrality.

People wonder why they have so frantically dragged his majesty the king from of the iron cage to be sullied in this electoral gimmick. An answer that immediately and clearly comes to mind is: It is because they have been suffering crippling defeats in all fields. They would not desperately try to win his majesty the king's help if they were as good as they claimed to be and if they did not experience earth-shaking upsets. They did it because they suffered extremely serious setbacks, especially on the military front.

People still remember that right after the fraudulent elections sponsored by UNTAC [UN Transitional Authority in Cambodia] in May 1993, the alliance with the United States as the direct ringleader did not waste any time in joining with communist Vietnam to conjure up the two heads and to launch large-scale military campaigns against the people and the national resistance forces in Stoung, at Phnum Chhat, and in a number of other regions, using their blitzkrieg strategy. At that time, they employed all forms of warfare against us, attacking us by waging a military-type war, an economic war, a psychological propaganda and pacification war, as well as a war of threats and intimidations in an attempt to hit, destroy, and wipe out the national resistance forces in just one blow so that they can rule the roost in Cambodia.

However, these campaigns were defeated completely and shamefully, and so were subsequent dry-season and rainy-season campaigns. As a matter of fact, the most important thing was that their blitzkrieg strategy met with utter defeat as it was caught in a protracted guerrilla and people's war. Now that they have been entangled in the strategy of a protracted guerrilla and people's war, they can never escape defeat. This fact has been clearly vindicated by the first war of the United States from 1970 to 1975 and again by the communist Vietnamese war of aggression since 1978.

Their masters — the alliance and communist Vietnam — understand the collapse and defeat of the two heads because they themselves have had personal experiences of this. It is for that reason that virtually everyone of them has frantically come [to Phnom Penh], including Warren Christopher, to work out ways to rescue their two-headed lackeys. They have made utmost efforts for two dry seasons and two rainy seasons running and still they have been met with utter defeats. There is no hope whatsoever that the upcoming 18th dry season will be any better than the previous dry seasons. They will sink, collapse, and scatter ever further.

In the economic, financial, military, psychological, and other fields, the two heads have found themselves in even worse shape, for they are crooks, thieves, and rotten to the core. The only chance remaining for them is to use the 1998 treacherous elections in a bid to prolong their lives so that they can allow communist Vietnam to continue to snap at and swallow Cambodia, and to let the alliance continue to use Cambodia as their strategic foothold.

It is for all of this that they have ordered one-eyed Hun Sen and ghoulish Ranariddh to drum up the 1998 elections. However, communist Vietnam and the alliance know very well that they cannot rely on the two heads to run the election gimmick alone as no one would belive them since they stink upwind. Everybody in the country, the region, and the world at large rejects and opposes them. They also cannot use the United Nations again because the entire Cambodian nation and people know its ugly face only too well and are adamantly opposed to it.

Deadlocked in all directions, they are now dragging his majesty the king out of the iron cage to be sullied as the chairman of a so-called electoral commission. This is truly and totally deceitful. Just look at what happened to the past quaripartite Supreme National Council [SNC] with Samdech Norodom Sihanouk as the chairman: Although this council was set up within the framework of the Paris accords which were solemnly endorsed by the whole world, nothing prevented them from sabotaging the accords and the SNC. They coalesced the two heads insolently against the wishes of the entire Cambodian nation and people. Now that there are no Paris accords or quadripartite coalition, how can his majesty the king control the two-headed army and police which, by their very nature, constitute the armed forces of communist Vietnam both politically and organizationally? This is the obsolete nature of the cornered communist Vietnamese and alliance.

In sum, all that is part of an ugly trick to use his majesty the king as a screen and a stamp of approval for them to continue this two-headed regime of the communist Vietnamese lackeys. However, this extremely criminal, obnoxious, and abject scheme can fool no one. The entire Cambodian nation and people resolutely reject the two heads. Their wishes are to eliminate the two heads, terminate the war of communist Vietnam, and have a genuinely national government and honest elections so that the people can enjoy full democratic rights and liberties in really controlling their own destiny.

## Indonesia

### Police Release Over 100 Arrested After Riots

*LD2010183795 Melbourne Radio Australia in English 1600 GMT 20 Oct 95*

[FBIS Transcribed Excerpt] Indonesian authorities say they have released more than 100 of the people arrested after several days of rioting in East Timor last week. A police spokesman, Colonel Andreas Sugianto, said those released were young people who had simply been followers during the violence. He said 162 others were still being held by the police to determine the extent of their involvement and could face charges. [passage omitted]

### Military Confirms Existence of Communism

*BK2010153395 Jakarta THE JAKARTA POST in English 16 Oct 95 p 1*

[FBIS Transcribed Text] Jakarta (JP) — Military intelligence has found that communism is very much alive in Indonesia and is supported by former members of the outlawed Indonesian Communist Party (PKI), according to a senior officer of the Armed Forces (ABRI).

Major General Syarwan Hamid, assistant to the ABRI chief of socio-political affairs, said on Saturday that the PKI has undergone a "metamorphosis".

"Military intelligence and socio-political analysis including facts found in several regions, indicate that the PKI is alive and has metamorphosed into many forms," Syarwan said.

The changes of form make detecting the communists' activities difficult, he added.

As an example of the new forms taken by the PKI, he pointed to the recent arrest of a number of former communists in Central Java, whom the military said had been reviving the old cause of an Islamic state in Indonesia.

Syarwan said that 13 nongovernmental organizations, under the "pretense of defending the people and democraqy", had also been using methods "similar to those used by the PKI". He did not name the organizations concerned.

President Suharto has warned that certain "formless" organizations have been propagating communist teachings in the guise of concern for human rights and democracy, preying on young people in particular. ABRI leaders have also warned that remnants of the PKI and its supporters have become active again.

The PKI was banned in March 1966, some six months after an abortive coup which the Army blamed on the party.

Most of the thousands of former PKI members who were detained in the aftermath of the ban were released in the late 197Os. Two men accused of supporting the coup, former deputy prime minister Subandrio and former Air Force commander Omar Dhani, were only released in August this year.

Syarwan said organizational metamorphosis was a "classic communist technique used by the PKI to rebuild its strength". He said that the communist party had betrayed the nation twice previously, in 1926 and in 1948, each time managing to return to the political scene.

### Approach

"The PKI always changes its strategic approach in dealing with different people or organizations," he said.

In the old days, the PKI infiltrated Islamic organizations, including the Sarekat Islam [Islamic Federation] and the Nahdlatul Ulama [Association of Muslim Scholars], he said.

Syarwan denied that ABRI was being overcautious or obsessive about the possibility of a communist resurgence, which he said, "is better than having to bear the consequences of failing to anticipate the communist threat."

"If you've got a cancer on your foot, you can still have it mputated. But if the cancer spreads and attacks your throat, you then have to have your throat amputated," he explained.

Syarwan was speaking at a seminar organized by Fosko 66, a loose forum grouping former student leaders who took to the streets in 1966 to demand the disbandment of the PKI for it role in the coup the previou year. The street protests also led to the downfall of president Sukarno and helped bring General Suharto to power.

Eky Syahrudin, one of the student leaders, told the seminar that the best way to prevent a resurrection of communism in Indonesia is to address the social inequity that still exists.

"Communism grows in a socially and politically unequal society," he said.

"Monopolies, though unintentionally a part of the country's current economic system, have to be abolished. There should be equal opportunity for people to do business. "

Bambang Suharto, a former student activist and now a member of the National Commission on Human Rights, underlined the importance of better communications among the country's leaders.

Bambang said he detected reluctance on the part of officials when it came to telling their superiors bad news. The phenomenon may also exist among cabinet ministers he added.

"I wonder whether our top officials have the courage to tell bad news to the President," he said.

### Identifies 3 Communist Conspirators

*BK2010152995 Jakarta THE JAKARTA POST in English 17 Oct 95 p 1*

[FBIS Transcribed Text] Jakarta (JP) — The Armed Forces (ABRI) announced the names of three people whom it has identified with the "formless" organizations that have been blamed for recent acts of provication.

ABRI Chief of General Affairs Lieutenant General Suyono identified the three as author Pramudya Ananta Tur, scholar George Adicondro and labor leader Mukhtar Pakpahan.

"These are not rumors. These are the facts," Suyono told reporters at his office.

"The organizations change their form constantly but the people behind them are always the same," he said. "Their objective is clear: to topple the government, split ABRI and set ABRI against the people, and destroy this nation."

Asked whether ABRI intends to take any action against the three men, he responded: "Don't be surprised if one of these days ABRI declares them as enemies. If they continue with their fight, they will have to deal with ABRI."

President Suharto and senior government and military officials in the past week have issued several warnings about the existence of "formless" organizations whose activities bear the hallmarks of the now-outlawed Indonesian Communist Party (PKI).

These organizations, they say, are preying on young people to spread communist teachings under the guise of democracy and human rights issues. ABRI has also linked some recent incidents of agitation to the activities of these "formless" organizations.

Until yesterday, however, they refrained from disclosing names.

Pramudya, Indonesia's most renowned writer abroad, received the prestigious Magsaysay award for literature last month. The award prompted criticism from some fellow writers who recalled Pramudya's campaign in the 1960s to clamp down on writers and artists opposing communism.

Suyono also underlined Pramudya's membership in Lekra, the PKI's cultural wing, as one reason to be suspicious of his recent activities.

Mukhtar is the chairman of the Indonesian Prosperous Labor Union (SBSI), an organization still not recognized by the government. Muchtar was recently acquitted by the Supreme Court of charges of inciting last year's labor riot in Medan, North Sumatera.

"Mukhtar is a PKI," Suyono said, adding that Mukhtar's father led the bloody, PKI-sponsored worker strike in Bandarbesi in North Sumatra in the 1960s.

**Wanted**

George, a vocal scholar who is wanted by the police for allegedly making remarks that insulted President Suharto, is currently teaching and conducting research in Australia.

Suyono described George as falling into the lesser "E Category", usually reserved for hardcore communists.

After the PKI was banned in 1966, the government put former PKI members into different categories. Category A for hardcore communists who took direct part in the 1965 abortive coup, Category B for hardcore communists who did not have, direct role, and so on.

"Look at what Adicondro and Pramudya wrote in the Australia-based Progress magazine as well as Adicondro's recent comments which appeared on the Internet, Suyono said.

Suyono warned the three men, who are now on ABRI's black list, to stop their acts of provocation.

He also criticized those people, particularly the young, who have expressed support for or come to the defense of the three men.

Those people born after 1965 should improve their understanding of the nation's history lest they fall under the influence of these "formless" organizations, he said.

He expressed his concern with the many young people who, puzzled by ABRI's relentless warnings of latent communist dangers, have asked: "Is the communist danger really that bad?"

Meanwhile, an organization of former student leaders whose demonstrations in 1966 led to the banning of the PKI, yesterday urged the government to renew its campaign to purge the nation of communists and their sympathizers, whom, they say, have infiltrated the top levels of the bureaucracy.

The group, called Laskar Arief Rakhman Hakim [Arief Rakhman Hakim Regiment], said government agencies should begin now and not wait around for the military to conduct a screening.

The group's chairman Jusril Jusan, told reporters that the group has a list of names of former PKI members and its supporters who are now holding top government positions.

He recalled that before it was banned, the PKI had three million members and over 21 million sympathizers.

"We should know where they are now and what they do," he said.

Jusril, however, declined to give any names.

### Air Force Reports on Joint Air Exercise

*BK2110120295 Jakarta ANTARA in Indonesian 1712 GMT 20 Oct 95*

[FBIS Translated Text] Jakarta, 20 October (ANTARA) — The TNI-AU [The Republic Of Indonesia Air Force] and the Royal Australian Air Force (RAAF) began the "Rajawali Ausindo '95" joint air exercise involving 186 personnel, a number of major military equipment, and the Hercules C-130 heavy transport aircraft.

A press statement issued by the TNI-AU headquarters received by ANTARA in Jakarta on Friday stated that the joint air exercise was launched at the RAAF Richmond Air Force Base, in Australia on 18 October 1995.

Colonel G.I. Lumsden, Commandant of the Australian Air Lift Group, who was accompanied by TNI-AU Vice Marshall Tamtani Adi, launched the exercise.

The objective of the joint "Rajawali Ausindo '95" is to upgrade the capability and experience of the Hercules C-130 crew members in tactical operations, particularly in dropping supplies, the container dropping system, and the dropping of aid provisions.

Apart from this, the joint air exercise will also utilize the simulator of the Hercules C-130 transport aircraft as an effort to further familiarize the personnel with air dropping procedures.

Vice Marshall Tamtani Adi stated in his address that the current exercise will further enhance the reliance of the air strength that would finally become the promotional instrument between Australia and Indonesia.

The joint exercise began on 16 October 1995 and will end on 21 October 1995.

### Canberra's Stand on E. Timor 'Heartening'

*BK2010160795 Jakarta SUARA KARYA in Indonesian 17 Oct 95 p 5*

[Editorial: "Indonesian-Australian Relations" — italicized passages published in English]

[FBIS Translated Text] There has been pleasant and unpleasant news from Australia. On 10 October 1995, Prime Minister Paul Keating said the Australian Government would not grant political asylum to fugitives from East Timor Province. There was unpleasant news on Monday, however. Australian Foreign Minister Gareth Evans said the Australian Government would most likely ask the Indonesian Government to reinvestigate the deaths of five Australian journalists in East Timor 20 years ago.

Prime Minister Keating's statement last week cleared the cloudy relations between the Republic of Indonesia and Australia that began at the end of August when the Australian Department of Immigration and Ethnic Affairs released 18 East Timor "boat people" from a holding camp and allowed them to settle there without legal proceedings being instituted first, which is usually the case.

The Indonesian Government deeply regretted the event because accepting them as refugees meant that the Australian Government indirectly recognized their alleged persecution by the Indonesian Government, similar to the plight of the Vietnamese refugees. Accordingly, there was concern when 50 East Timor asylum seekers lodged an appeal with the *Refugee Review Tribunal* because ties between the Republic of Indonesia and Australia would have been affected if the Australian Government had supported them to a certain extent.

However, Prime Minister Keating firmly said the Australian Government would refuse to grant asylum to East Timorese coming to Australia. If they want political asylum, they should turn to the Portuguese Government which continues to *claim* East Timor as part of its territory. The statement was heartening because the Australian Government would have been regarded as justifying, if not supporting their anti-Indonesian political views if the government had not been firm on the matter.

Though the *Refugee Review Tribunal*, which is independent from the government, may decide otherwise, we know that the Australian Government has a firm stance on the matter. Prime Minister Keating does not want to compromise the good ties with Indonesia solely because of "cheap campaigns." We respect the firm stance.

Other news stemmed from a television interview of Foreign Minister Gareth Evans on Sunday. When asked whether the Austalian Government would raise issue of the deaths of five Australian journalists 20 years ago if there is new evidence, he said yes. He said the new evidence should be first reasonable, however.

As we know, the five Australian television journalists covering the armed conflict in East Timor, were killed in shooting between opposing factions on 16 October 1975. The incident became a thorn in relations between the Republic of Indonesia and Australia. The Australian media has been hostile to Indonesia ever since, while the government and people have never been satisfied with the current explanation.

Foreign Minister Gareth Evans did not give a categorical reply because he was in a difficult position. If he had firmly said that he would raise issue of the deaths of the five journalists, that would have meant that he did not believe Indonesia's long-held explanation. However, he felt that the emotions of Australians, particularly the media, over the incident remained strong. Accordingly, he has adopted a cautious stance. He will raise the incident only if there is new, and better evidence. The caution is appropriate because the incident, which is a sensitive issue, took place 20 years ago when the Portuguese Government simply abandoned a chaotic East Timor.

### Daily Supports Proposal for Asia-Pacific Concord

*BK2110085595 Jakarta KOMPAS in Indonesian 20 Oct 95*

[Editorial: "An Asia-Pacific Security Treaty Is Indeed Needed" — received via Internet]

[FBIS Translated Text] Dr. Noordin Sopiee, director general of Malaysia's Institute of Strategic and International Studies, floated a proposal for an Asia-Pacific peace treaty at an international conference in Jakarta on Tuesday (17 October). The Asia-Pacific Concord, as the treaty is called, will in essence govern relations between ASEAN and countries outside the region.

Noordin Sopiee said during the international conference organized by the Centre for Strategic and International Studies (CSIS) in Jakarta and the daily THE JAKARTA POST that an unprecendented new era had emerged in East Asia following the end of the Cold War. "For the first time in East Asia's modern history, the region is not beset with a major war," he said.

The proposal for the Asia-Pacific Concord is in fact nothing new. There had been many similar proposals earlier.

The end of the Cold War marked by the relaxation of tension between the United States and the Soviet Union (now Russia) has also changed the balance of power among four major powers in the Asia-Pacific region — the United States, Russia, China, and Japan.

The process is continuing. Thus, analysts hope that Asia-Pacific countries, particularly ASEAN countries will be able to influence the pattern of relations among the four major powers to ensure that their presence will contribute to peace and stability in the Asia-Pacific region.

There has been virtually no war involving countries in the Asia- Pacific region since the Cambodian conflict, which entangled regional countries as China and Vietnam ended. Nevertheless, this has not necessarily led to lasting peace and stability in Asia-Pacific.

The potential for various conflicts exists in this vast region and could flare up from time to time. These are the conflict between the two Koreas, the dispute over the Spratly islands (among China, Taiwan, the Philippines, Malaysia, Brunei Darussalam, and Vietnam), the issue of the two Chinas (China and Taiwan), and border conflicts between ASEAN countries.

In addition, internal developments in large Asia-Pacific countries such as China and Indonesia could affect regional peace and stability.

Prior to the withdrawal of U.S. troops from military bases in the Philippines on 30 September 1992, former foreign minister Mokhtar Kusumaatmaja said ASEAN should take advantage of the opportunity to set up common security arrangements in Southeast Asia. This is to enable ASEAN countries to become the masters in their own region instead of asking big powers to be responsible for their security.

Although many parties considered that such common security arrangements were needed in the region, no one tried to push for their establishment.

There was one stumbling block. Many parties, influenced by history, were worried that such common security arrangements in the region would lead to a military pact, which is something undesirable.

Nevertheless, the situation in the Asia-Pacific region has changed rapidly because big powers such as the United States, China, and Japan deem it necessary to have common security arrangements.

Undeniably, the Asia-Pacific has become closer economically and politically since the end of the Cold War.

The establishment of APEC (Asia-Pacific Economic Cooperation) in Canberra, Australia in 1989 and the ASEAN Regional Forum (ARF) in Bangkok, Thailand in 1994 is proof of this closeness.

Noordin Sopiee's proposal for an Asia-Pacific peace treaty must be welcomed because the treaty is urgently needed.

Without the treaty, it would be impossible for Asia-Pacific countries to maintain lasting peace and stability in the region.

The Asia-Pacific had experienced various wars since the end of the Second World War — the Korean war, the Vietnam War, and finally the Cambodian conflict. The countries affected certainly know the meaning of peace and, thus, have the obligation to maintain it.

ASEAN which currently has seven members (Brunei Darussalam, the Philippines, Indonesia, Malaysia, Singapore, Thailand, and Vietnam) could become the prime mover for the establishment of an Asia- Pacific peace treaty because of the existence of TAC (Treaty of Amity and Cooperation in Southeast Asia).

TAC as a common security arrangement in Southeast Asia, which can be developed into the Asia-Pacific Concord, was signed by the ASEAN heads of government during their summit in Bali in 1976. TAC which governs the immediate peaceful settlement of regional conflicts was initially meant for Southeast Asian countries only. Nevertheless, the interest of many non-Southeast Asian countries in acceding to the treaty prompted ASEAN to draft a special protocol for the purpose.

The immediate peaceful settlement of regional disputes is indispensable for the maintenance of peace and stability in the Asia-Pacific. Thus, irrespective of the nature of the Asia-Pacific peace treaty, the treaty must contain the peaceful settlement of regional disputes as its main element.

### Editorial Views Bhutrus-Ghali Statment

*BK2110154195 Jakarta SUARA KARYA in Indonesian 20 Oct 95 p 5*

[Editorial: "The NAM: The UN Appreciates Indonesia"]

[FBIS Translated Text] Delivering his opening address at the 11th Nonalignment Movement [NAM] summit in Cartagena, Colombia on Wednesday 18 October, President Suharto, as the NAM leader for the 1992-95 term, spoke on the resolution of basic issues the NAM has dealt with since its establishment. He also touched on issues dealt with during his three-year tenure, and on Indonesia's determination to provide its continuous contribution in support of the NAM's perpetual struggles.

In his address, both as the NAM leader and his country's leader, President Suharto emphasized his determination to exert efforts toward widening the North-South and the South-South cooperation through joint partnerships. Indonesia will definitely participate in the NAM's future struggles under Colombian leadership toward creating a just and democratic global community. Apart from this, the president stressed that the NAM's principles and aspirations must be conscientiously and steadfastly upheld because the NAM was established universally, and was based on values practiced by the world community. Historically, the NAM, which is represented by a diversified membership, has not only been able to maintain its solidarity but has also been capable of becoming one of the major and most effective world peace movements.

If we took a step backward into history — at the end of the Second World War which was followed by the Cold War — global development then was marked by the emergence of two blocs (the West and the East) which were led by the United States and the Soviet Union. An arms race emerged based on hegemony and power-grabbing between the two blocs. Ironically, developing nations remained undivided, and were not grouped within these two blocs.

However, developing nations, which remained unaffected by such a crucial situation and which did not wish to be embroiled in the hegemony of the two superpowers, established the NAM soon after the Afro-Asian Conference held in Bandung. However, the NAM became another power when it strayed from its basic policy. It was only by God's grace that the NAM leaders finally became fully aware of such a need. At the 10th NAM summit held in Jakarta in September 1992, a consensus was reached to continue the NAM's struggles based on North-South and South-South joint partnerships.

As the leader of the NAM for the 1992-95 term, Indonesia had undertaken numerous steps to pioneer and widen the North-South as well and the South-South cooperation based on joint partnerships. However, as stated by President Suharto, much more needs to be done by the NAM as an effort toward further uplifting its historic role as a moderate and congenial power.

This means that the NAM had, at least, played only a minor role in facing the Cold War — acting as a power balance for the two superpowers in their hegemonistic expansion — and with its positive approach regarding its concept of cooperation based on its partnership which was gaining a gradually stronger footing. This could be observed, among other things, through its adoption of the principles of partnership and cooperation as a result of the second Asia-Pacific regional AELM [Asian Economic Leaders Meeting] held in Bogor in November 1994.

Based on such a background, it is only appropriate for the UN Secretary General Butrus-Butrus Ghali, who delivered his speech at the 11th NAM summit in Colombia, to express his appreciation to Indonesia for leading the NAM. In addition, he stated that the concept of international cooperation based on joint partnership was in accordance with two UN resolutions (48th and 49th). We believe and trust that Colombia will continue with what had been pioneered and undertaken by Indonesia.

## Thailand

### Minister Urges Cohesion in Burma Contacts

*BK2010151795 Bangkok BANGKOK POST in English 20 Oct 95 p 3*

[Unattributed report]

[FBIS Transcribed Text] The Foreign Minister has called for greater policy cohesion among agencies of the government concerned with Burma.

M.R. Kasemsamoson Kasemsi said good policy intentions were meaningless if the Defence, Interior and Foreign Affairs ministries and the Prime Minister's Office failed to follow a similar line.

"If all agencies follow the same line and see problems in the same way, I can address these problems effectively," he said, a reference to disputes with Burma along the common border.

M.R. Kasemsamoson plans to visit Burma in mid-November ahead of Burmese Prime Minister Than Shwe's visit to Thailand to attend the fifth summit of leaders of the Association of Southeast Asian Nations.

Gen [General] Than Shwe is chairman of the ruling State Law and Order Restoration Council.

Burma closed two border checkpoints in Chiang Rai and Tak in March, alleging Thai support for ethnic rebels.

The checkpoint in Ranong was closed in August following the brutal murder of Burmese fishermen aboard Thai vessels.

The construction of the Thai-Burmese Friendship bridge over the Moei River was suspended in June after the Burmese side alleged that 16 shops encroached on the river on the Thai side, altering the natural border. It demanded that the shops be demolished.

M.R. Kasemsamoson said that while Thailand could effectively handle drug warlord Khun Sa by denying shelter to his aides and cutting off logistical supply routes, it had a weak point for the Karens.

"It's a difficult situation when we have to take into account humanitarian considerations," he said.

He cited the project to lay a gas pipeline from Burma's Martaban Gulf through an area which belongs to the Karens.

"There are two options: suppress them, or persuade them to take part in development," he said.

According to the deal signed by both sides, the natural gas from Yadana field will be delivered to Thailand by mid-1998.

The pipeline will be laid from the field via Kanchanaburi to a power plant in Rat Buri.

M.R. Kasemsamoson has claimed diplomatic successes for the three-month old Banhan Government.

At the ASEAN foreign ministers' annual meeting in Brunei in mid-July, he reaffirmed Thailand's stance on the Burma issue.

"I asked whether we wanted democracy for Australia, the United States or Burma itself. Constructive engagement policy should benefit all Burmese," he said.

He added that he had never set conditions for democratisation in that country, but development, and particularly education, would benefit its people.

Former Deputy Foreign Minister Surin Phitsuwan yesterday expressed concern about what he said was the Banhan administration's overlooking of certain Foreign Ministry mechanisms to strengthen relations with neighbours.

He said the Government was too fond of personal contacts, and this caused confusion among neighbours as to who was in charge of foreign policy: the Foreign Ministry, the Defence Ministry or the Prime Minister's Office.

It was clear that the role of the ministry had been affected.

"Consistency in policy is very important, for this builds confidence among neighbours," he said.

He said the Foreign Ministry's limitations might be due to the fact that the minister lacked an assistant and there was no cooperation with other agencies.

This was a reference to Defence Minister Gen Chawalit Yongchaiyut's heavy-handed involvement in settling disputes with Burma, and his emphasis on military-to-military as well as personal contact.

### Chawalit: U.S. Concerned About Arms Race

*BK2310012795 Bangkok THAILAND TIMES in English 22 Oct 95 p A1*

[Unattributed report]

[FBIS Transcribed Text] Bangkok: The United States have expressed concern for arms accumulation in this region following Thailand's efforts to purchase powerful arms from overseas, said Defense Minister Chawalit Yongchaiyut.

Speaking about talks with senior US officials, Chawalit said they did not discuss the purchase of F-18 jet fighters with him.

"The US side instead was worried about competitive weapons accumulation among the Association of Southeast Asia Nations," said Chawalit late Friday night, after an earlier meeting with US delegation headed by Mike Lemmon, deputy assistant secretary of state for political and military affairs late Friday.

The US delegation met with Air Force Chief ACM [Air Chief Marshal] MR Siriphong Thongyai and Supreme Commander Gen Wirot Saengsanit on the same day when the F-18 jet fighters purchase was discussed.

Gen Wirot confirmed after the meeting that arms purchase was a topic being discussed.

The discussion came a few days after the Royal Thai Air Force sent a letter of request (LoR) this month to the US Defense Department through the Joint US Military Advisory Group (JUSMAG).

The defense minister said he has confirmed to the US officials that arms purchase by armed forces was needed to follow the military's structural development plan and for national security not for arms build-up.

"It (the US's concern) could be because the US has proclaimed its policy of non-support on military build-up for this region which might cause no-confidence feeling among the Southeast Asian countries and create a power grasp," said Chawalit.

Prior to this, the Opposition has opposed to the move saying the Army's arms acquisition would defy the ASEAN Regional Forum (ARF) pact.

Sources said armed forces will shift to purchase French-made Mirage 2000 or Russian-made SU-35 and MiG-29 if the US refuses to sell F-18 jets fighters. It also plans to purchase numerous weapons from Australia.

Meanwhile, Deputy Army chief Chettha Thanacharo declined to say if there will be discussion of arms purchase between China and Thailand during the defense ministry's visit to China on October 22-28.

Chawalit will lead several senior military officials to China.

Military cooperation is scheduled to be one of topics to be raised during the visit. Sources said arms purchase might also be discussed during the meeting since the army considers Chinese weapons to be inexpensive.

Gen Chettha defended the arms purchase project of armed forces, saying the military will thoroughly consider before making decision since many foreign countries have offered to sell weapons.

"It will cling to the most efficiency and affordability," said Chettha.

### Chawalit's China Trip Focuses on Economic Issues

*BK2310061095 Bangkok THE NATION in English 23 Oct 95 p A2*

[Unattributed report]

[FBIS Transcribed Text] Defense Minister Chawalit Yongchaiyut left on a trip to China yesterday saying he would not discuss arms purchases or military affairs with Chinese officials during his visit to the country.

Accompanied by chiefs of the armed forces, Chawalit has triggered much speculation about the visit, which coincides with the New Aspiration leader's attempts to raise his political profile.

Chawalit, also deputy prime minister, told reporters before his departure from Don Muang Airport that his discussions with Chinese leaders would focus on bilateral economic ties and regional affairs.

There were reports that Chawalit and his delegation, which included a number of senior military officers, had shown an interest in Chinese anti-aircraft guns and probably other arms.

The opposition last week said it was "keeping a very close watch" on the Defence Ministry's budget spending. It suggested Thailand's arms purchase had been influenced by suppliers' lobbying rather than a genuine need to upgrade defence capacity.

The defence minister was scheduled to meet his Chinese counterpart, Gen Chi Haotian, to discuss security developments in the region. He would also meet other top-ranking Chinese military officers during his four-day official visit.

Meanwhile, Air Force chief ACM [Air Chief Marshal] Siriphong Thongyai, said that a long "careful deliberation" by an Air Force committee had shown that the American-made F-18 jet fighter was "the best and most suitable" of the five models under consideration for purchase. He did not say what the other models were.

He said his agency had told the Defence Ministry about its decision on the aircraft. If approved, the purchase plan would be forwarded to Parliament for deliberation, the Air Force chief said.

Opposition leader Chuan Likphai yesterday denied knowledge of reports that his government initiated the F-18 purchase plan.

"There was no formal proposal forwarded to my government," Chuan said.

"My government's policy was that every arms purchase needed a careful study, and that the country's security and economic situation must be taken into account. We were always careful about buying new things because the delivery of F-16 jetfighters which we decided to buy many years ago has not been completed yet."

### Deputy Prime Minister Chawalit Leaves for China

*BK2210104295 Bangkok Radio Thailand Network in Thai 0530 GMT 22 Oct 95*

[FBIS Translated Text] General Chawalit Yongchaiyut, deputy prime minister and defense minister, and his delegation are going to pay an official visit to the PRC between 22 to 27 October. Gen. Chawalit told reporters prior to his departure at the airport this morning that during the visit, he would meet with Chinese leaders to discuss bilateral economic cooperation. There will be no discussions on military cooperation.

### Drug Probe Panel Forms Subpanel

*BK2110085895 Bangkok Radio Thailand Network in Thai 1200 GMT 20 Oct 95*

[FBIS Translated Text] Colonel Thanat Khoman, head of the public hearing panel, disclosed after today's panel meeting that the panel had received and seen appeals from five parties. Three appeals were from private firms, and they did not pertain to the panel's investigation. The other two appeals were from Narong Wongwan and Watthana Atsawahem, which appeared to meet the probe's criteria.

At its meeting, the panel formed a subpanel headed by Prasit Khowilaikun to study whether the cases of Narong and Watthana fall within the framework of the panel's work. If they do, the subpanel is to notify the panel to gather evidence during its investigation. The panel remains open to evidence and information from Thailand and abroad.

Regarding a report that several panel members wanted to resign, Col. Thanat said he does not think replacements will have to be found for those who resigned already.

### Drug Panel Head Comments on U.S. Visit, Ties

*BK2110093695 Bangkok Radio Thailand Network in Thai 1200 GMT 20 Oct 95*

[FBIS Translated Text] Colonel Thanat Khoman, head of the public hearing panel, has emphasized that his trip to the United States has no connection with the prime minister's delegation. He also denied ever saying that he would criticize the United States at the UN forum. Col. Thanat spoke with reporters at Government House this morning:

[Begin recording] [Thanat] The United Nations is the purpose of my trip. The trip has nothing to do with the prime minister. The prime minister and I will go there separately. I will be at the United Nations as an individual to do minor work. The prime minister is at a higher level.

[Unidentified correspondent] Are you concerned that relations between Thailand and the United States might be affected?

[Thanat] Any effect on relations would have occurred already. Any effect will be created by the United States, not by us. You should understand this. You must not forget that we are Thai. The United States has whacked us over the head. It has charged that certain Thai people were involved in narcotics trafficking. It has told us that we must not form a panel to investigate the charge. If we do, the United States will whack us some more, cut cooperation, veto our loan requests, and so forth. The United States started this, not us. We are just a small country. How could we have started this against a country that has all those muscles? [end recording]

### Article Views Banhan's U.S. Trip, Drug Issue

*BK2110143595 Bangkok THE NATION in English 21 Oct 95 p A3*

[Article by Pridaphon Tinsakun: "Banhan's Bid for Limelight Shaded by Thanat's Claims]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha's US visit is dogged by a major worry — that Thai and foreign reporters are keenly watching to see if he attempts to clear drug allegations against two senior Chat Thai men.

The issue has apparently already spoiled what the Chat Thai leader intended to be a dignified visit to the 50th anniversary of the United Nations in New York next Tuesday.

Thanat Khoman is the one to blame. He aroused journalists' suspicions the US trip was also linked to the drug allegations against Chat Thai deputy leader Watthana Atsawahem and chief adviser Narong Wongwan.

Thanat chairs a special committee probing the allegations and will be at the UN at the same time as Banhan.

Further complicating the issue, Thanat earlier vowed to attack the United States during the UN assembly over what he called the "unsubstantiated" allegations.

As a result, once in New York, Banhan can expect to be asked by foreign and Thai reporters whether he intends to ask Washington to detail the allegations. On his return to Thailand, he will inevitably be asked whether he did so.

That intention has been categorically denied by Banhan's advisers accompanying him on the official five-day trip, which is to be followed by a private visit.

They said Banhan will not have the chance to talk privately with US President Bill Clinton, let alone clarify the allegations against Narong and Watthana.

Pracha Khunakasem, Banhan's adviser on foreign affairs, said the premier has not sought a private meeting with Clinton.

"It's going to be a big event. The US president will be occupied with receiving guests from many countries. According to protocol, we cannot bother him with the matter," he said.

Pracha said world leaders who want separate meetings with the president would have to go to Washington.

"The Thai delegation will not be calling in at the US capital."

Banhan instead expects to meet Clinton during the Asia-Pacific Economic Cooperation (Apec) forum on Nov 19 in Osaka, Japan, where they will be seated side-by-side.

Pracha said Banhan plans another formal US visit soon.

PM's Deputy Secretary-General Wirasak Khowsurat said Banhan does not intend to raise the allegations with the US government at all.

"There is no attempt being made to seek a special meeting with anyone, or to seek any information to help anyone," Wirasak said.

"We are going there as guests of the United Nations, not the US government."

The deputy secretary-general said the mass media have tried to "demean" Banhan's visit by speculating on the drug issue.

"Our own mass media do not respect our prime minister. He has done nothing wrong and yet the media has been slinging mud at him.

"We are talking about creating a role for Thailand in the international community, but our mass media are trying to demean our prime minister," Wirasak said.

But the media's suspicions are understandable given the repeated, outspoken comments by Thanat on the issue, and his presence in New York.

Even two Cabinet members, Deputy Prime Minister Thaksin Chinnawat and Foreign Minister Kasemsamoson Kasemsi, appear to have suspicions.

Thaksin and Kasemsamoson have warned Thanat to behave himself during the trip.

Another factor that brought about the media's suspicions was the appearance of Narong at Government House a few days before the trip.

Narong had never been to Government House before, although he is one of Banhan's advisers. Suddenly, he showed up at Banhan's office early this week.

Narong told reporters he was there to ask Banhan about his responsibilities as an adviser. He boasted to reporters that Banhan had assigned him to economic issues.

Apparently sensing that an association with Narong only a few days before departing for New York on Thursday night could be disastrous for his visit Banhan, immediately tried to distance himself from the Chat Thai chief adviser.

The prime minister rushed out to tell reporters he had not assigned any special mission to Narong, as the adviser claimed.

It has yet to be seen whether Banhan succeeded in convincing the media.

If not, when he alights at JFK International Airport in New York, he could be bombarded with reporters' questions about the drug issue.

## Banhan Denies Corruption Allegations

*BK2310043695 Bangkok BANGKOK POST in English 23 Oct 95 p 3*

[Unattributed report]

[FBIS Transcribed Text] New York — Prime Minister Banhan Sinlapa-acha yesterday said he is proud to have been selected to chair a session of the United Nations General Assembly.

Mr Banhan, who is attending the 50th anniversary celebrations of the United Nations, will be only the second Thai to have been chosen to chair a 30-minute section of the UN meeting when he takes charge tomorrow evening.

The first Thai who received the honour was Prince Wan Waithayakon, a former Thai ambassador to the United States during the 1950s.

The Prime Minister said his main duty in chairing the meeting will be to ensure each of the heads of state giving a speech keeps to the five minutes allotted to them.

"I don't think there will be any problems," said Mr Banhan.

"The meeting room is a bit like our parliament. The chairman of the meeting will have a wooden hammer to keep order but there will be a light to tell speakers that their time is up."

Mr Banhan is also scheduled to deliver a five-minute speech to the UN tomorrow morning.

It will focus on world peace and the role the UN has played in establishing it, he said.

"I will compare the UN to a tree that has grown for 50 years and whose branches are giving member nations shelter," he said.

However, he added that the UN should now look back at its achievements and past obstacles to see how its work can be improved to suit current circumstances and help to develop countries, democracies and protect the environment.

One key role it will have to play is in resolving conflicts so countries do not resort to war, he said.

About 180 of the 185 member countries are attending the organisation's 50th celebration.

Some 60 prime ministers and 100 presidents will represent their countries.

Mr Banhan was yesterday scheduled to take an informal tour of New York but because of heavy rain Thai Ambassador to the UN Nit Phibunsongkhram took him on a tour of the UN Office instead.

Mr Banhan yesterday played down a cover story in the Far Eastern Economic Review that questioned the achievements of his government and its corrupt image.

"You have to look at how many people are criticising us. If it's only a few people then we can't accept their criticisms as true," Mr Banhan said, adding he always receives encouragement from members of the public everywhere he goes in Thailand.

In its October 26 issue, the Far Eastern Economic Review questioned the Banhan government's image.

The publication pointed out that three of the Government's ministers had their assets seized by the 1992 military regime for alleged corruption and that Deputy Finance Minister Newin Chidchob was under investigation for suspected vote-buying.

Asked by reporters accompanying him about a possible cabinet reshuffle to improve the Government's image, Mr Banhan replied, "I can't tell you about that. If the timing is appropriate and it will result in some good, then I'll do it."

Asked why the public hearings committee, which he set up to look into the US drug allegations against Thai politicians, had accepted only the cases of Chat Thai politicians Narong Wongwan and Watthana Atsawahem while declining three other applicants, Mr Banhan said he did not know.

"I don't know why he [committee chairman Thanat Khoman] did not accept the other cases, so I can't answer," Mr Banhan said.

### Iranian Envoy Meets With Parliament Speaker

*LD2110161995 Tehran IRNA in English 1522 GMT 21 Oct 95*

[FBIS Transcribed Text] Kuala Lumpur, Oct. 21, IRNA — Iranian ambassador to Bangkok, Gholam Reza Yusefi, on Friday voiced Iranian readiness to exchange parliamentary delegations between the two countries.

In a meeting with the speaker of Thai parliament, Booneua Prasert Suwan, Yusefi said the historical relations between Iran and Thailand and the prominent status of the two countries in Asia require both sides to promote bilateral ties.

He said cooperation between Tehran and Bangkok in the newly independent republics of Central Asia was a ground for expansion of ties between the two nations.

The Thai parliamentarian said the two countries are capable of expanding cooperation.

Prasert Suwan, pointing to the important role of the Islamic Republic in the region, hoped for promotion of bilateral cooperation in the Central Asian states.

He said, "I hope an Iranian parliamentarian delegation will take part in the forthcoming inter-parliamentary union meeting due to be held in Bangkok next year."

### Railway Project To Continue Despite Attack

*BK2310063795 Bangkok THAILAND TIMES in English 23 Oct 95 p A1*

[Unattributed report]

[FBIS Transcribed Text] Bangkok—A recent Khmer Rouge attack on a government inspection team in Poi Pet will not hinder construction of a railway linking the two countries, said Communications Minister Wanmuhammatno Matha.

The attack occurred while a group of the communications minister's advisory officials were inspecting a site in Sa Kaeo province. The team were not injured, although twelve Cambodian civilians, including four children, were hurt.

The Thai side should show more confidence on security issues, as the project aims to bring prosperity to Cambodia in a move to eliminate problems such as the Khmer Rouge, Wanmuhammatno said.

"If Thailand fails to work with Cambodia to bring prosperity to the country, the problem of this outlaw group will continue," he said.

The mortar, fired at Poipet market, landed 30 meters away from the 130-member inspection team, and has been interpreted by Tor Tao, first secretary of the Cambodian Embassy to Thailand, as a Khmer Rouge protest against Cambodian development.

Tor Tao went on to say that the Cambodian government would organize safety measures for Thailand during the construction project.

The communications minister said he believed the Cambodian government would be able to control the situation, adding that the situation is already 90 percent under control.

On Wednesday the joint Thai-Cambodian Border Committee will meet at the Defense Ministry to discuss attempts to solve border problems, as well as arrangements to continue the rail project.

Sources in the Communications Ministry said Cambodian authorities also planed to request financial assistance from Thailand to restore the dilapidated 50-km Sisophon-Poipet route.

The route paved the way to link three countries, with trains running from Bangkok to Phnom Penh and Ho Chi Minh City.

## Kasemsamoson's Foreign Policy Experience Viewed

*BK2310081095 Bangkok THE NATION in English 23 Oct 95 pp A1, A5*

[Report by Kunlachada Chaiphiphat and Phana Chanwirot]

[FBIS Transcribed Text] Perhaps unique and one of the few bright spots in the Banhan government, M.R. Kasemsamoson Kasemsi has come a long way since starting off as a civil servant, then becoming a diplomat, and now a politician. And the bumpy road ahead will challenge his past, abundant experience.

Few people may realize that he was the only member of the much- heralded former Anan government to brave the present wind of democracy. Kasemsamoson stood in the July 2 election and lost, but so did all the Bangkok candidates from the Nam Thai Party, to which he belongs.

As a former Foreign Ministry permanent secretary, he was an oratorical diplomat and a strong-headed bureaucrat, who never bowed to politicians but managed to ride on the political wave.

Now accepted as a politician, Kasemsamoson still does not speak or act like one. He plays regional and international diplomacy like a game of chess-compromise when needed, but firmness when asked for.

With the deep sense of importance of history when it comes to shaping the future, he never bursts out with ideas but keeps his listeners thinking and pondering the complexity of the world before drumming him message home.

Politics, though, has played its part in shaping him — from being a lone-ranger type of diplomat to a coordinator of foreign policy issues.

Kasemsamoson has put himself in a situation that will test his strength and it remains to be seen if he manages to stay aloof away from the internal conflicts within the Nam Thai Party and the eventful politicking within members of the coalition parties.

Yet, what really makes him stand out among the so-called "professional politicians" is, according to observers, his ability to work with everybody in a "team effort".

"Everybody is doing their part," Kasemsamoson commented when asked how he felt when Gen Chawalit Yongchaiyut, the defence minister and leader of the New Aspiration Party, went to Rangoon to boost diplomatic ties, as well as Finance Minister Surakiat Sathianthai's aggression in regional diplomacy.

But he also said that Nam Thai Party leader Dr Amnuai Wirawan has his fair share of responsibilities, as he is deputy prime minister in charge of international economics. Amnuai has also been assigned by prime minister Banhan Sinlapa-acha to help oversee the Commerce Ministry, which was being run by the Chat Thai Party.

Ironically, both Kasemsamoson and Amnuai have also won the confidence of the premier, even more so than some members of the Chat Thai Party.

Kasemsamoson said the foreign relations were too sophisticated to handle alone in the era of globalization.

"We cannot do everything. We do not control financial policies," said Kasemsamoson in an exclusive interview with The Nation last week.

And he remembered in the early tenure of the Chuan Likphai government, conflicts between the Commerce and Foreign Ministries were much greater and visible then any problems in the present administration.

He said Thailand was in the world's eye as a growth centre in the Asia-Pacific region, and that it was very natural for everyone to pay attention to its foreign policy.

"The Foreign Ministry should be happy to have so many helpers who have an interest in foreign policy. It is the result of efforts we have long pursued but previously no one paid any attention to us," he said.

The minister admitted that there might be some obstacles and a certain amount of mudslinging among coalition parties but such things should not be counted too seriously.

He stressed that there should not be any double-standards in judging the present administration with the previous one. He said the first three months of the Chuan government was equally hesitant despite the fact that they had a honeymoon period.

"Khun Banhan may not be a great orator but he is always in the know," he said. .

There have been reports about simmering conflicts between the Foreign Ministry and Banhan's advisory team, a sort of problem which raged within the coalition government of then-Prime Minister Chatchai Chuhawan in the late 1980s.

Kasemsamoson denied there were "political conflicts" between him and Banhan's advisers.

"There was no concept of a coalition then," said the minister recalling when he served as Foreign Ministry's permanent secretary under former Foreign Minister ACM [Air Chief Marshal] Sitthi Sawetsila.

Kasemsamoson then was right in the midst of the conflicts by having to coordinate between Chatchai's Ban Phitsanulok advisory team and the Ministry to get four warring Cambodian parties to talk after the Jakarta peace talks had failed.

Today, he has much to do as a coordinator, and he used his personal contacts to get Banhan intelligence information from US authorities concerning its allegations against senior Chat Thai Party members on their links to drug traffickers.

He is also coordinating with related ministries handling border problems with Burma. Kasemsamoson intends to go to Rangoon next month to prepare for the visit of the prime minister to Burma.

Banhan would be the first Thai premier to visit the country in more than a decade.

But the main showpiece for the Ministry is the preparation for the Fifth ASEAN Summit and the informal gathering of 10 Southeast Asian nations' leaders in mid-December.

Nam Thai Party leader Dr Amnuai has been entrusted by Banhan to prepare for the upcoming summit in Bangkok.

"We have received encouragement from the Cabinet members concerning these major events coming up," Kasemsamoson said.

The minister, however, admitted that his party may not have been visibly active over the past three months due to internal problems and the fact that it is a very small member of the seven-party coalition group.

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## Air Force Chief on Conditions for F-18 Purchase

*BK2310044695 Bangkok BANGKOK POST in English 23 Oct 95 p 1*

[Unattributed report]

[FBIS Transcribed Text] The Royal Thai Air Force (RTAF) will insist that its F-18s are armed with advanced medium range missiles otherwise it will not buy the US made jet fighters, Air Force Commander-in-Chief ACM [[Air Chief Marshal]] Siriphong Thongyai said.

Speaking to reporters after seeing off Defence Minister Chawalit Yongchaiyut on a trip to China yesterday, M.R. Siriphong said the desired Advance Medium Range Air to Air Missiles [AMRAM] were the key factor in the Air Force's decision to buy the state-of-the-art US fighters.

Thailand has asked to purchase a squadron of the latest American F-18 fighters but insists they be equipped with the AMRAMs. The purchase is worth 18 billion baht for 16 planes.

Foreign Minister Kasemsamoson Kasemsi told the Bangkok Post in New York where he is attending the UN's 50th anniversary celebrations that he has received word the US is going to sell its F-18s to Thailand. However, he said he did not know the details of the proposed sale.

M.R. Siriphong said if the US does not want to sell the AMRAMs along with its F-18s, then the RTAF will not buy the planes. In that case, the RTAF will consider buying four other alternative fighters: the US F-16, the French Mirage-2000, the Russian Mig-29 and Su-35. All four fighters have similar capabilities to the F-18 but the RTAF's first choice most closely meets the needs of the force, he said.

The F-18s are to be used to protect the country's territorial waters and are the same type of jet fighter the US navy uses.

ACM Siriphong said an air force committee has been studying the proposed purchase for a year and that the total funding for the F- 18s would come from the RTAF's budget allocations over the next four years.

Asked about the US concerns, ACM Siriphong said all levels of the US Defence Department agree with Thailand's request to buy the F-18 jets and have been trying to help the country meet its arms procurement needs

He did not know what the US decision would be but noted that many senior US officials supported Thailand's request to buy the F-18s.

"If they decide not to sell the F-18s to us then we will have to look at the other four fighters we have been studying," M.R. Siriphong said.

Meanwhile, Gen Chawalit denied that he would be discussing weapons purchases with China. "We will be discussing the situation in the region and economic cooperation," the defense minister retorted.

Asked if he would be looking at Chinese satellites in connection with his proposed project to procure military satellites for the Thai Armed Forces, Gen Chawalit said he had viewed the Chinese satellites 10 years ago but would not be doing so on this trip.

Sources confirmed that Gen Chawalit will not be discussing any new weapons purchases with China and will only be thanking them for having sold arms to Thailand at friendship prices in the past. He will also express interest in being kept informed about any new technology and sending two Thai army officers to study aeronautics in China.

Gen Chawalit will also ask for spare parts and technical manuals for the battalion of T-69 tanks which Thailand bought from China in the past.

The air force also needs spare parts for its Chinese-made anti-aircraft artillery and 311 B radar system.

The radar system has become problematic and is unable to track targets quickly.

### Editorial Views 'Frustration' Over Reform

*BK2310044395 Bangkok BANGKOK POST in English 23 Oct 95 p 4*

[Editorial: "Growing Frustration Over Political Reform"]

[FBIS Transcribed Text] It is not hard to understand the frustration felt by Dr Prawet Wasi over the hopeless lack of progress made by politicians toward political reform. Anyone who has observed the efforts and dedication of this most energetic of social critics and his group of non-partisan academics to get the process of change underway will share his sense of disappointment .

Dr Prawet heads the Democracy Development Committee (DDC) that was formed with the blessing of the government of prime minister Chuan Likphai. Its mandate was to draw up guidelines for political reform with the aim of providing Thailand a possible way out of future political impasse. With the help of well-known constitutional law experts Dr Amon Chantharasombun and Dr Bowonsak Uwanno the Committee identified some of the underlying political weaknesses that have plagued this country for so long. They also came up with solutions. Specifically, they advocated amendment of the current constitution's Article 211 as a way of opening the constitutional door to reform.

The proposal to amend this crucial Article together with the Committee's suggested model constitution, alas, were embraced neither by the Chuan administration, senators nor other members of parliament. The DDC's proposed changes to Article 211 would exclude senators and MPs in the drafting of a new charter. As a result little or no action was taken by the Chuan government before that administration came to an end.

Enter Prime Minister Banhan Sinlapa-acha with his avowed commitment to the DDC's ideals. But then the other week he told top government officials at the National Defence College he would not support amendment of Article 211 only to follow this controversial statement with a retraction a day or two later. All this served to fuel confusion about the government's true intentions toward reform. Last week's decision by the Political Reform Committee to amend Article 211 along the lines suggested by the DDC and to set up a 67- member Constitution drafting panel has done little to remove the lingering doubts about the Government's sincerity and determination on this vital issue .

Dr Prawet's call for the intervention of His Majesty the King to set up a special panel to amend Article 211 since His Majesty is the best representative of the Thai people demonstrated the frustration and sense of hopelessness; after almost three months the Government-appointed Political Reform Committee has made no substantial progress.

But despite his good intentions, Dr Prawet's call may not be entirely appropriate: it would further burden the King at a time when His Majesty has been active with advice on solutions to Bangkok's traffic congestion and ways to reduce the impact of flooding.

Amending or rewriting the constitution must by its nature be a time-consuming process. It also requires the participation of many parties, not to mention patience and trust. The Political Reform Committee should be allowed more time to do its job.

Although he may not be directly involved with the Committee, Prime Minister Banhan can make a substantial contribution in pushing the reform process forward in a direction that will best serve the people. When it comes time for the selection of new senators, the Prime Minister should pick progressive minded individuals who are supportive of democratic development, avoiding those who would oppose political change, whatever the potential benefit for the public at large, lest their current comfortable positions be put at risk.

## Vietnam

### Le Duc Anh's Activities at NAM Summit Reported

*BK2110113895 Hanoi VNA in English*
*0727 GMT 21 Oct 95*

[FBIS Transcribed Text] Hanoi VNA Oct. 21 — State President Le Duc Anh, who has since Oct.18 been in Colombia for the 11th summit of the Non-Aligned Movement (NAM), was received on Thursday in Cartagena by Mr. Ernesto Samper, president of Colombia, who is also president of the NAM.

The NAM president hailed president Le Duc Anh's attendance at the summit, to which the Vietnamese leader expressed his support and positive contributions to the enhancement of the NAM for national independence, sovereignty, security and development, prosperity and happiness of each NAM member-country. The colombian leader expressed his pleasure at the achievements recorded by the Vietnamese people in their renovation process and national reconstruction. He briefed on the socio-economic development in Colombia and said he hoped that the economic and commercial cooperation between his country and Vietnam would be broadened.

Speaking to his host, President Anh highly appreciated the great efforts made by the NAM and said that with its progressive principles and objectives the movement has made great contribution to the international political life, fighting colonialism and preserving peace and security in the world. Mr. Anh took this opportunity to congratulate President Ernesto Samper as the new president of the NAM and expressed his belief that the latter in the new position would successfully fulfil his noble tasks, maximizing the dynamics of the movement while carrying out activities of the United Nations so as to increase the efficacy of the movement and build a new world order, fair and democratic. President Anh presented his host with the socio-economic development situation in Vietnam and said he believed that the cooperation between Vietnam and Colombia would be fruitfully developed.

Earlier, President Anh had meeting with Indonesian President Suharto, former president of the NAM, during which the Vietnamese leader expressed his admiration for the great and precious contribution by President Suharto in capacity as president of the NAM and Indonesia to the rapid growth and effective activities of the movement over the past three years as president of the NAM. He said he believed that the friendly cooperation between Vietnam and Indonesia would be unceasingly consolidated and developed, thus effectively contributing to the growth of member countries of ASEAN as well as the NAM for a world of fairness,democracy, equality, peace, stability, cooperation and prosperity.

For his part, President Suharto said he hoped that the two countries would develop of their cooperation not only for the interest of each country, but also for peace, stability, cooperation, and development in southeast asia, and together strive for a world free from poverty and backwardness, and peace, happiness, and prosperity for each nation.

The same day, President Le Duc anh met on separate occasions with Palestinian President Yasir 'Arafat, Syrian Vice President A. H. Khaddam, the president of Guyana, Malian Prime Minister Ibrahima Boubacar Keita, Malaysian Prime Minister Mahathir Mohamed, Cambodian Second Prime Minister Hun Sen, Lao Deputy Prime Minister Khamphoui Keoboualapha, Iraqi Foreign Minister Muhammad Sa'id al-Sahhaf, and General Director of the World Health Organisation Hiroshi Nakajima. During these meetings the two sides affirmed the ever increasing development of their cooperation for the interest of the NAM and for the 21st century of peace and prosperity.

### Le Duc Anh's Speech at NAM Summit Reported

*BK2010143495 Hanoi VNA in English*
*0700 GMT 20 Oct 95*

[All quotation marks as received]

[FBIS Transcribed Text] Hanoi VNA Oct.20 — The 11th summit of the Non-Aligned Movement (NAM) opened in Cartagena, Colombia on Oct.18 with 52 heads of state or government of NAM members. Vietnamese State President Le Duc Anh on Oct.19 delivered a speech at the summit. The following are excerpts from the speech:

'The evolution of the world situation over the past three years testifies our proper appraisals put forth at the 10th NAM summit held in Jakarta. Nowadays, though the threat of a genocidal war has been pushed back, world peace consolidated, and international cooperation strengthened, elements of unfair, cruel power and unequality still exist in the system of international relations.

Contrary to our aspiration, in many places in the world people are living in violence, tension, and instability. Great efforts exerted by mankind to reduce poverty and hunger have had little effect. In many nations, people are still leading poor and miserable lives, their natural resources are exhausted, and their debts have become an even heavier burden.

Conflicts, terrorism, wars, economic embargoes, epidemics, drug abuse, and others have occurred, leading to the devastation of a number of cities and villages, taking away the uncountable lives of innocent people, especially women and children. We urgently call upon the NAM and all nations and peoples with their conscience and heart to do their utmost to help these nations quickly restore peace, construct their countries, and bring freedom and happiness to their people.

Challenges to development are a common issue for the NAM countries, particularly for under-developed countries. In order to give our nations prosperity and happines, the most important thing for us to do is to raise our will for independence, sovereignty, and self-reliance, and maximise our spirit of solidarity and mutual assistance.

'... The NAM should increase its solidarity so as to protect the just interests of its member countries such as national independence, sovereignty, security, and development, and consistently fight for democratic international relations, and preserve national identities as well as the right for each to choose their own road to development for each country'.

Having been a victim of invasions, wars of aggresion, and trade and economic embargoes, Vietnam deeply sympathizes with difficulties which the Cuban people and other nations are undergoing. The Vietnamese people demand that the embargo and hostile policy against cuba be ended, and that the Cuban people's national sovereignty and right to choose their own road of development be respected.

At the same time other embargoes must also be lifted. We must help old people, children and women, the first victims of trade and economic embargoes and blockades.

This year, the entire world solemnly celebrates the 50th anniversary of the United Nations (UN). In spite of certain limitation, the UN plays a very important role and position in international relations. We are pleased with the dynamic contribution of the NAM to this world organization's activities to enhance its effectiveness and build an equal and democratic world order.

Based on achievements of the renovation cause Vietnam has effectively implemented its foreign policy of independence, sovereignty, diversification and multilateralization of international relations, promotion of multifaceted cooperation, both bilateral and multilateral, with all countries and international organizations in the spirit that: 'Vietnam wants to befriend all countries in the international community striving for peace, independence and development.'

In this spirit, Vietnam attaches great importance to the development of relations with neighbouring countries and officially joined ASEAN on July 27 of this year. As an ASEAN member, with other countries in the association, Vietnam will actively contribute to peace, stability and development in the region .

## Ministry Briefing Views Regional Ties

*BK2010145395 Hanoi Voice of Vietnam in English 1000 GMT 20 Oct 95*

[FBIS Transcribed Text] The Vietnamese Foreign Ministry held a regular press conference in Hanoi on 19 October. On this occasion, Mrs. Ho The Lan, the ministry's spokesperson, answered a number of questions relating to Sino-Vietnamese relations and also between Vietnam and ASEAN.

In answering a question raised by an ASSOCIATED PRESS correspondent on the border issue between Vietnam and China, Mrs. Ho The Lan said: As reported earlier, the sixth session of the joint working team on the mainland border between Vietnam and China was held from 9-14 October. The two sides agreed to a number of technical measures leading to the signing of a border agreement. The session took place in a frank and friendly atmosphere.

Mrs. Ho The Lan also said: A meeting in Ho Chi Minh city has produced positive results to furthering unity among ASEAN member countries. The session initiated ways for economic cooperation among ASEAN to cope with new challenges. The session was in preparation for the Fifth ASEAN Summit to be held in Bangkok in December.

Mrs. Ho The Lan also said that Vietnam also attended a meeting of the ASEAN Standing Committee in Indonesia for an exchange of views among ASEAN member countries and their dialogue partners.

Mrs. Ho The Lan also described Vietnam's strategy to reduce taxes and prepare for admission to the ASEAN Free Trade Area or AFTA. Vietnam's efforts have been acknowledged by ASEAN.

Mrs. Ho The Lan announced that:

— German Chancellor Helmut Kohl and New Zealand Prime Minister James Bolger will pay official visits to Vietnam in mid-November at the invitation of Prime Minister Vo Van Kiet.

— Deputy Prime Minister Nguyen Khanh, from 5-10 November, will visit the Baltic countries of Lithuania, Estonia, and Latvia to discuss questions of bilateral relations and international questions of mutual concern.

— Deputy Prime Minister Nguyen Khanh will lead a Vietnamese delegation to the 28th session of UNESCO and its 50th founding anniversary in Paris on 16 November.

### Minister Affirms Continued Open-Door Policy

*BK2110093295 Hanoi VNA in English*
*1448 GMT 20 Oct 95*

[FBIS Transcribed Text] Hanoi VNA Oct. 20 — Foreign Minister Nguyen Manh Cam has said that Vietnam will continue pursuing the foreign policy of independence self-reliance, openness and diversified and multilateral relations.

In a keynote report presented to the deputies at the current National Assembly session this morning concerning Vietnam's external affairs in 1995 and guidelines for the near future, Mr Cam also said:

'For the next five years, Vietnam will intensify its bilateral and multi-lateral comprehensive cooperation with all countries and international organizations on the principles of equality, peaceful co-existence, mutual benefits, respect for independence, sovereignty and territorial integrity of each other, non-intervention into internal affairs, settlement of disputes through negotiations and guarantee of stability and security for development.'

The report also re-affirmed the successes made by the Vietnamese Government in carrying out the open-door policy in this year in line with the guidelines charted by the 7th congress of the communist party.

### Foreign Ministry Spokesman Holds News Briefing

*BK2010141195 Hanoi VNA in English*
*0620 GMT 20 Oct 95*

[FBIS Transcribed Text] Hanoi VNA Oct.19 — German Prime Minister H. Kohl and the prime minister of New Zealand will visit Vietnam on separate occasions in mid-November, announced Ms. Ho The Lan, spokesperson for the Foreign Ministry at a press briefing here today.

She told Vietnamese and foreign media workers that Vietnamese Deputy Prime Minister Nguyen Khanh will make a tour of Estonia, Latvia and Lithuania from Nov.5-10.

The Vietnamese spokesperson also informed media workers of a strategy that Vietnam determines to carry out with a view to reducing tax and preparing for the admission to the ASEAN Free of Trade Area (AFTA). She said that under an agreement between Vietnam and other ASEAN-member countries, Vietnam will start its implementation of CEPT/AFTA from Jan.1, 1996 and strive to fulfil AFTA targets in 2000.

### Party Delegation Visits Iraq

*BK2010141495 Hanoi VNA in English*
*0620 GMT 20 Oct 95*

[FBIS Transcribed Text] Hanoi VNA Oct.19 — A delegation of the Communist Party of Vietnam led by Mr. Le Kha Phieu, Politburo member and secretary of the Communist Party of Vietnam Central Committee, has paid a friendship visit to Iraq at the invitation of the Revolutionary Command Council.

While there, the delegation was received by Vice President T.Y. Ramadan during which the two sides exchanged views on the issues of common concern and the further strengthening of the friendship and cooperation between the Communist Party of Vietnam and Iraq's Arab Baath Socialist Party, between the governments and people of Vietnam and Iraq. They also made a tour of a number of cultural establishments in Baghdad and other localities.

### Delegation of CPC Central Commission Visits

*BK2010140995 Hanoi VNA in English*
*0637 GMT 20 Oct 95*

[FBIS Transcribed Text] Hanoi VNA Oct.20 — A delegation of the Central Commission for Discipline and Inspection of the Communist Party of China led by the secretary of Shensi Province's party committee Mr. An Keyuan, is now on a working visit to Vietnam.

While in Hanoi, the Chinese party delegation had working sessions with officials of Hanoi's party committee, and was received by Mr. Le Xuan Tung, member of the Communist Party of Vietnam Central Committee (CPV CC) and deputy secretary of the city's party committee. During the reception, Mr. Tung informed the Chinese guests of the social and economic achievements of Vietnam in general and Hanoi, in particular in the current national renovation period, and Hanoi's plan for construction and development from now to the year 2000-2010. He also spoke about issues relating to the party's activities like training of party cadres, control work, and organisation work.

On this occasion, Mr. Tung expressed thanks to the Chinese party and people for their assistance, to the Vietnamese people in general and the Hanoi people in particular .

For his part, Mr. An Keyuan expressed his satisfaction at Hanoi's all-sided development and reaffirmed the traditional solidarity and mutual assistance between the two peoples.

Also present at the reception was head of the control section of the city's party committee Mr. Nguyen Manh Kiem.

## Delegation Attends Anticorruption Conference

*BK2310074295 Hanoi VNA in English 0608 GMT 23 Oct 95*

[FBIS Transcribed Text] Hanoi VNA Oct. 23—Vietnam has sent a delegation to attend an international anti-corruption conference which was held in Beijing, China from Oct. 6-10.

The Vietnamese delegation, led by Mr. Ta Huu Thanh, member of the Communist Party of Vietnam Central Committee and deputy general director of the State Inspectorate, comprised of representatives of the Supreme People's Court, the Supreme People's Inspectorate, the State Inspectorate, and the Ministries of Justice and the Interior.

At the five-day conference, managers, scholars, researchers and officers from anti-corruption bodies of many countries discussed the harmful effects and forms of corruption and measures to detect, prevent and fight corruption. The conference also acquainted the participants with models of organisations and experiences in the anti-corruption field and affirmed the need for international cooperation in the fight against corruption.

## National Assembly Session Continues Activities

### Approves Cabinet Reshuffle

*BK2110153995 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 21 Oct 95*

[FBIS Translated Text] On the 17th working day of the Ninth National Assembly's eighth session today, National Assembly deputies worked in the conference hall.

Early in the morning, the deputies voted by an 82 percent majority to pass a resolution on the restructuring of certain government organs in accordance with government recommendations.

— The Ministry of Agriculture and Rural Development is established by the amalgamation of three ministries: Ministry of Agriculture and Food Industry, Ministry of Forestry, and Ministry of Water Conservancy.

— The Ministry of Industry is established by the amalgamation of three ministries: Ministry of Heavy Industry; Ministry of Energy; and Ministry of Light Industry.

— The Ministry of Planning and Investment is established by the amalgamation of the State Planning Committee and the State Commission for Cooperation and Investment.

Early in the afternoon, the National Assembly conducted a secret ballot to elect a number of cabinet members in accordance with the government's recommendation. Ballot results showed that the majority of deputies supported the appointments of some members of the cabinet. They are:

— Comrade Nguyen Cong Tan to hold the post of minister of agriculture and rural development.

— Comrade Nguyen Canh Dinh ceases to be minister of water conservancy, and now to hold the position of chairman of Vietnam's Mekong River Committee and chairman of Central Typhoon and Flood Control Committee.

— Comrade Nguyen Quang Ha ceases to be minister of forestry.

— Comrade Dang Vu Chu will be minister of industry.

— Comrade Tran Lum ceases to be minister of heavy industry and will have another position.

— Comrade Thai Phung Ne ceases to be minister of energy and will have another position.

— Comrade Do Quoc Sam to be minister of planning and investment.

— Comrade Dau Ngoc Xuan ceases to be minister and chairman of state commission for cooperation and investment, and to hold the position of minister and chairman of State Projects Assessment Council.

— Comrade Nguyen Trong Nhan ceases to be minister of public health.

— Comrade Do Nguyen Phuong, deputy director of Ho Chi Minh National Politics Institute, to hold the position of minister of public health.

— Comrade Nguyen Ky Cam ceases to be state inspector general, and to hold the position of standing minister and chairman of Anti-Corruption and Anti-Smuggling Guidance Committee.

— Comrade Ta Huu Thanh, deputy state inspector general, to hold the position of state inspector general.

Later the National Assembly voted to pass a National Assembly resolution on this matter.

Also in the morning and afternoon, the National Assembly deputies listened to the full text of the Civil Code which was amended, and is being prepared for submission for approval at this session.

Tomorrow on Sunday the National Assembly will not meet.

### Communique No. 16 Issued

*BK2110160695 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 21 Oct 95*

[Communique No. 16 issued by Vietnamese National Assembly in Hanoi on 21 October]

[FBIS Translated Text] On 21 October, under the direction of National Assembly Chairman Nong Duc Manh, the National Assembly conducted its work in the conference hall on the following issues:

1. The National Assembly listened to the full text of the revised civil code bill after considering opinions expressed by National Assembly deputies.

2. The National Assembly passed a resolution on the restructuring of certain government organs. With high unanimity, the National Assembly voted to pass a resolution on the establishment of the Ministry of Agriculture and Rural Development by combining the Ministry of Agriculture and Food Industry, Ministry of Forestry, and Ministry of Water Conservancy; the Ministry of Industry by combining the Ministry of Heavy Industry, Ministry of Light Industry, and Ministry of Energy; and the Ministry of Planning and Investment by combining the State Planning Committee and the State Commission for Cooperation and Investment.

3. The National Assembly approved the appointment of some members of the Government. With high unanimity, the National Assembly approved that:

— Mr. Nguyen Cong Tan ceases to be minister of agriculture and food industry, and will now hold the position of minister of agriculture and rural development.

— Mr. Nguyen Canh Dinh ceases to be minister of water conservancy, and will now hold the position of minister and chairman of Vietnam's Mekong River Committee and chairman of the Central Typhoon and Flood Control Committee.

— Mr. Nguyen Quang Ha ceases to be minister of forestry.

— Mr. Dang Vu Chu ceases to be minister of light industry, and will now hold the position of minister of industry.

— Mr. Tran Lum ceases to be minister of heavy industry.

— Mr. Thai Phung Ne ceases to be minister of energy.

— Mr. Do Quoc Sam ceases to be minister and chairman of the State Planning Commission, and will now hold the position of minister of planning and investment.

— Mr. Dau Ngoc Xuan ceases to be minister and chairman of the State Commission for Cooperation and Investment, and will now hold the position of minister and chairman of the State Projects Assessment Council.

— Mr. Nguyen Ky Cam ceases to be state inspector general, and will now hold the position of standing minister for the Anti-Corruption and Anti-Smuggling Guidance Committee.

— Mr. Ta Huu Thanh will now hold the position of state inspector general.

— Mr. Nguyen Trong Nhan ceases to be minister of public health.

— Mr. Do Nguyen Phuong is appointed to be the minister of public health.

On Monday, 23 October, the National Assembly will continue its work in the conference hall.

### Nong Duc Manh Delivers Speech

*BK2110102795 Hanoi QUAN DOI NHAN DAN in Vietnamese 4 Oct 95 p 1,4*

[Speech by Vietnamese National Assembly Chairman Nong Duc Manh to the opening session of the Ninth National Assembly in Hanoi on 3 October]

[FBIS Translated Text] Dear party and state leaders, National Assembly deputies, and distinguished guests:

The Ninth National Assembly of the Socialist Republic of Vietnam begins its eighth session today. On behalf of the National Assembly Standing Committee, I heartily welcome and wish good health to all party and state leaders, senior revolutionary comrades, National Assembly deputies, foreign diplomats, international friends, and all comrades and friends attending this solemn opening session of the National Assembly.

Dear National Assembly deputies, amid the jubilant atmosphere of the 50th anniversary of the August Revolution and 2 September National Day, we are attending this National Assembly session with great encouragement and pride in the achievements recorded during the past 50 years of building and defending our beloved fatherland. Undergoing immeasurable hardships and sacrifices, our people have attained great achievements and remarkable feats-of-arms in the struggle to build Vietnam into a peaceful, independent, and unified nation—a nation that is continuing its renovation undertaking and is firmly advancing along the path chosen by our party, Uncle Ho, and the people, with the objective of making our people prosperous, our nation powerful, and our society equitable and civilized.

Our nations's glorious historical tradition has compelled our entire party, people, and armed forces to make greater efforts to fulfill its tasks in 1995, the last year of the 1991-95 five-year development plan. With the fine development in the socioeconomic situation during the past nine months, it is likely that many of the established main targets will be fulfilled or overfulfilled. Remarkable progress has also been seen in activities in the scientific, educational, training, cultural, information, public health, and social areas. National defense and security have been firmly maintained.

These achievements and consistently expanded diplomatic activities have enhanced our nation's position and our strength to advance to a new developmental stage to attain national industrialization and modernization. We must strive to achieve high economic growth with better results and stability, while attempting to resolve acute social issues and firmly ensuring national defense and security. We must strive to free our nation from poverty, improve the people's daily life, increase our national savings, and create essential prerequisites for further development after the year 2000.

Combining enthusiasm and its own responsibility, in this session the National Assembly will consider government reports on the implementation of the 1995 tasks under National Assembly resolutions and also its orientations and tasks for 1996. It will investigate implementation of the 1995 state budget, 1996 budget estimates, and finalization of the 1994 budget. It will also consider the national defense and security situation, foreign affairs, management of local courts, implementation of court verdicts, and the settlement of public complaints and accusations in 1995.

In addition to the examination of government reports, the National Assembly will scrutinize reports on the 1995 activities of the National Assembly Standing Committee, Ethnic Council, National Assembly committees, Supreme People's Court, and the Supreme People's Organ of Control. It will also study reports on the result of efforts to adopt voters' opinions in previous National Assembly sessions and compile voters' opinions in this session.

In order to participate in the current reform of national management and satisfactorily execute National Assembly resolutions, the National Assembly will study and offer its opinions on planning for the implementation of administrative reform programs and decide on the adjustment of the structural mechanisms and personnel organizations of some state organs.

To continue the finalization of party and state guidelines and policies, the National Assembly will spend more time considering and passing the civil code, a major and important law that has been prepared carefully and about which it has received many opinions from the public, sectors, echelons, and National Assembly deputies. In this session, the National Assembly will also consider and pass a law on amendment and supplement to some articles of the Law on the Organization of the People's Courts (about administrative and labor courts) and the law on amendment and supplement to some articles of the Business Tax Law, the Law on Special Consumption Tax, and the Import Tariff Scale. The National Assembly will approve the legislative building program until the end of the official term of the Ninth National Assembly and offer its opinions on the draft planning for national finance policy and the bill on state budget.

Dear National Assembly deputies, wi'h the significant nature of this National Assembly session, I earnestly hope that National Assembly deputies, as representatives of the people, will strive to develop the democratic spirit to contribute many more ideas, satisfactorily carry out the session's agenda, and make correct decisions on important issues related to the national welfare and the people's livelihood.

I declare the eighth session of the Ninth National Assembly open.

### Communique No.15 Issued

*BK2110093795 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 20 Oct 95*

[Communique No.15 issued by the Vietnamese National Assembly in Hanoi on 20 October]

[FBIS Translated Text] The National Assembly Office issued communique no.15 saying that in its morning session on 20 October 1995, under the direction of National Assembly Vice Chairman Dang Quan Thuy, the National Assembly continued its debate at the conference hall. The debate was on the National Assembly Standing Committee activity report; on various reports of the Nationalities Council and other committees of the National Assembly; on the reports of the Supreme People's Court, the Supreme People's Organ of Control. It also debated the government report on the management of local people's courts in terms of organization and the enforcement of court sentences.

Three National Assembly deputies aired their views. They were Trinh Xuan Mao of Thanh Hoa, Lo Van Inh of Lai Chau, and Do Quoc Thang of Lao Cai.

The gists of their views were on the following issues:

— Activities of the National Assembly Standing Committee, the Nationalities Council, and other committees of the National Assembly.

— The effect of supervisory work, the reflective character of investigative reports of the Nationalities Council and other committees of the National Assembly.

— Granting audience to the people and the resolution of complaints and denunciations filed by citizens.

— The activities of people's courts and the people's organs of control, the training and recruitment of judges for people's courts.

— The quality of juridical work of the courts of law at various levels, the quality of the enforcement of sentences and conditions that guarantee its efficient implementation.

— The issue of wanted criminals and inmates who escape from correction camps.

— Cooperation between the two branches — namely the courts and organs of control.

During the deputies' debate, Pham Hung, chief judge of the Supreme People's Court; and Le Thanh Dao, chief procurator of the Supreme People's Organ of Control, aired their views, providing further explanations on certain issues.

For the rest of the session, the National Assembly heard:

— Foreign Ministry Nguyen Manh Cam deliver a report on government's diplomatic activities in 1995.

— Hoang Bich Son, chairman of the National Assembly Foreign Relations Committee, give a briefing on diplomatic activities.

In its afternoon session under the direction of National Assembly Chairman Nong Duc Manh, the National Assembly heard the reading of the full text of the Draft Civil Code, which had already been revised in accordance with suggestions of National Assembly deputies.

The National Assembly will continue to meet at the conference hall tomorrow.

### 19 October Proceedings

*BK2010143595 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 19 Oct 95*

[Report by Hoai Thu]

[FBIS Translated Excerpt] Dear friends, in their 15th working day yesterday [19 October], National Assembly deputies worked under the chairmanship of Vice Chairman Nguyen Ha Phan in the morning and Vice Chairman Dang Quan Thuy in the afternoon.

The deputies discussed the socioeconomic situation; the national budget; the reports of the National Assembly's Standing Committee, Nationalities Council, and other committees; reports of the Supreme People's Court and Supreme People's Organ of Control; and reports of the government on management of local people's courts, and the prosecution and execution of court orders.

Twenty National Assembly deputies spoke on the issues. Regarding the national budget, after the reports by Finance Minister Ho Te and State Planning Committee Chairman Do Quoc Sam, Deputy Nguyen Duy Anh of Lam Dong was still concerned about the demand for large expenditures compared to the limited sources of revenue. Also, measures to increase revenue and reduce expenditure are still the same as previous years. There are still flaws in the control of expenditures that need to be rectified, and over-spending is still rampant. To rectify over-spending, the principle of allowing expenditure based on actual revenue should be observed. This principle has been discussed thoroughly at previous National Assembly sessions.

Echoing the views of other deputies on reducing spending, deputy Nguyen Duy Anh said:

[Begin Nguyen Duy Anh recording] I fully support the view of Mr. Nguyen Duc Hoan of Quang Tri that the savings obtained from spending cuts must be concrete and visible with figures and addresses. We have been talking about savings, but only in policies. The real results have been minimal. However, we should also avoid imposing blanket savings rates, as we did in 1994 when we indiscriminately gave five to seven percent savings targets to all agencies and localities. To achieve concrete results in thrift, I think responsible organs should work out methods based on close supervision, inspection, and investigation, so that we are able to point out where the savings can be made. So far we only talk about policies. I have not seen any cases where an agency can clearly show a savings of one billion dong, although we have many cases where many billions of dong are wasted. [end recording]

Regarding macro-economic policies on some major industries, Deputy Do Hoang Hai of Ho Chi Minh City held that our recent establishment of a number of strong corporations should be coupled with an increase in investment and an incentives policy. This is so that these corporations can be strong manufacturing forces producing goods that can compete in the domestic and international markets. Furthermore, more loss-making enterprises should be dissolved, so as to redeploy capital and increase revenue. [passage omitted on Do Hoang Hai speaking on capital assistance to farmers]

During their discussions, the deputies also gave their views on how to achieve budget targets, control inflation, and prevent embezzlement. On this issue, Deputy Luong Ngoc Toan of Thanh Hoa said:

[Begin Luong Ngoc Toan recording] The main issue is how to prevent budget embezzlement, and to stop extravagant spending seen in massive offices, excessively modern equipment, and luxury cars. I recommend that our Finance Ministry comrades be models for others. Please go to various localities and see who own the most beautiful offices. If these money collectors do not practice thrift, how can they tell others to do so? Funds from our budget are still being embezzled, due to corruption and deception. Too much funds have been spent in oiling the road of procedures, up to 20, 30, or in certain cases even 50 percent of the project costs. How is the national budget supposed to survive? We should use every means to stop corruption. [end recording]

Regarding the administrative reforms program, deputies Do Hoang Hai of Ho Chi Minh City, Bui Ngoc Thanh of Lang Son, Pham Xuan Dinh of Can Tho, and Truong Minh Thang of Minh Hai held that the administrative reforms should be uniform and comprehensive, and should be attached to staff reduction in state administration agencies, a reorganization, a new public service recruitment policy, and training policies. Many deputies held that staff reduction should be done continually. In reality, the number of agencies has reduced but the staff number is still growing. Deputy Do Hoang Hai revealed that recently the total administrative staff increased by 120,000. [passage omitted on discussion on services for ethnic minorities, afforestation project No. 327, and selection of judges for people's courts]

Today the deputies continue to work in the conference hall.

### Voters Express Views

*BK2310024295 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 21 Oct 95*

[FBIS Translated Excerpt] Dear friends: In a previous newscast, we presented to you a number of suggestions and petitions on some social and cultural matters that voters made to the Ninth National Assembly's eighth session. Now we would like to present the following suggestions and petitions from voters on the issues of national defense and security, control of corruption and smuggling, regulations governing grassroots-level cadres, and legislative work and law enforcement.

Many voters maintained that national defense and security capabilities have been firmly maintained during the past years, thus creating very important conditions for guaranteeing socioeconomic stability and development. They expressed concern, however, over frequent incidents in a number of localities involving the theft of citizens' property and traffic accidents. They suggested that the state increase efforts to gradually build and consolidate the armed forces in order to turn them into a regular and modern military organization capable of guaranteeing national construction and the combat preparedness required for national defense.

The management and protection of storage facilities and important projects must be accelerated to prevent the recurrence of fires.

Many voters suggested once again that regulations on educational requirements for youths taking military school entrance examinations be reviewed because they are unfair with regard to implementation of the selective service system. Youth who fall under the draft exemption or draft deferment category should contribute a fixed amount of money to the defense budget or security fund. There must be rules for units stationed in the localities to contribute their share in the construction of public utility projects to benefit local residents.

Efforts must be made to promote external economic relations and combine them with national defense and security arrangements, especially in the defense belts in coastal areas or on islands. Rational policies must be worked out to build and develop village militia forces to conduct patrols and watches to safeguard national security.

Many voters also maintained that the normalization of diplomatic relations and the promotion of cooperation were necessary to serve the development needs of Vietnam and the United States. Nonetheless, given the current situation, there must be effective measures to firmly maintain security and political stability.

With regard to the front against corruption and smuggling, many voters maintained that the government has made concentrated efforts to direct this campaign; however, progress is slow. Many cases of corruption and smuggling still exist. According to many voters, the lack of concentrated, uniform, and firm guidance from the central down to the grassroots levels is one of the causes leading to this evil. They stressed the need for the government to make more efforts to initiate a mass movement against corruption and smuggling. They suggested that leading and management cadres from the central down to the grassroots levels set examples for others with regard to fighting corruption and smuggling.

At the same time, there must be regulations governing the declaration of income by cadres. Strict measures must be taken against bribe givers and bribe takers. National Assembly and government law enforcement agencies must step up inspection and supervisory work to uncover all corruption and smuggling cases quickly, regardless of the wrongdoers position.

The results of investigations must be made available to the people. Steps must be taken to reorganize the committees against corruption and smuggling at all levels. Individuals of integrity and competence must be appointed to these committees. Modern equipment must be provided to the anti-smuggling and anti-corruption forces. Corruption and smuggling cases must be dealt with to the fullest extent of the law. [passage omitted on policies toward grassroots cadres, legislative work, and law enforcement]

### Government Issues Notice on Limiting Rice Exports

*BK2310011995 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 21 Oct 95*

[FBIS Translated Text] The government has recently issued a notice that the Ministry of Commerce must ensure that the volume of rice exported from now to the end of this year does not exceed the 1995 target of 2 million tonnes.

The notice urged the Ministry of Commerce and the Ministry of Agriculture and Food Industry to closely inspect and control the purchase of rice for export in Ho Chi Minh City and in provinces in the Mekong River delta.

Implementing the prime minister's decision to purchase 40,000 tonnes of reserve rice in Ho Chi Minh City, the City People's Committee has instructed the city grain corporation to coordinate with grain companies in the Mekong River delta in order to purchase this amount.

### Programs To Fight Hunger, Poverty Reviewed

*BK2210132295 Hanoi VNA in English 0645 GMT 22 Oct 95*

[FBIS Transcribed Text] Hanoi VNA October 22 — Hunger elimination by the year 2000 and poverty by 2010 is one of the major socioeconomic targets that Vietnam is striving for.

Presently, 22 percent of households in the whole country are poor with a per capita income of 8-15 kg of rice per month. The rate varies to 18-22 kg for midland areas, 15 kg for mountain and rural areas, and 20-25 kg for urban areas.

The campaign to eliminate hunger and alleviate poverty was first launched in Ho Chi Minh City in 1992 and shortly nationwide. In recent years the number of households suffering from hunger has been reduced by two percent annually, Ho Chi Minh City, Hanoi, Haiphong and Thai Binh Province in the Red River delta have no households facing permanent food shortages.

Localities throughout the country had by June 1995 raised over VND [Vietnamese dong] 300 billion for funds to help poor households run production with soft loans of 0.4-0.6 percent monthly interest rates. Haiphong Port City has also granted non-interest loans to its beneficiary households.

Nationally, the state has carried out programs and projects relating to the hunger elimination and poverty alleviation campaign, including the national job generation fund which, since its establishment in 1990 granted loans totalling VND 800 billion. Also included a program on safe water for rural areas, under which 130,000 sources were built in 1994, with financial assistance worth USD 27.6 million from UNICEF [United Nations Children's Fund], providing safe water for 19.5 million people, accounting for 36.5 percent of the rural population. Another 31,000 water supply sources are expected to take shape this year.

Also engaged in the campaign is the Agriculture Bank, which in the first six months of this year has provided poor farmers with VND 200 billion in loans. This amount is expected to be granted in the second half of the year, with interest rates of 1.2 percent/month or 11.4 percent/year.

Another factor in the success of the campaign is the positive contribution by the bank for the poor. The bank, with its statutory capital of VND 210 billion contributed by the Agriculture Bank and the Bank for Foreign Trade, plans to lend VND 1,000 billion to the poor who are entitled to loans, without any collateral, for production requirements from six months to three years. The bank also plans to set up a revolving fund of VND 3,000 billion in the 1996-98 period which is expected to increase to VND 4,000 billion by the end of 1998, capable of granting loans to 2.5-3 million poor households for production development.

Apart from domestic capital sources, Vietnam has received financial assistance for this campaign from international organizations which provided around USD 100 million including DM [German marks] 7 million from Germany and USD 600,000 from Belgium. Recently, Misereor, a Catholic organization from Germany decided to grant Vietnam USD 900,000 to alleviate poverty.

### Illegal Foreign Businesses 'Worrisome'

*BK2110130195 Ho Chi Minh City THOI BAO KINH TE SAIGON in Vietnamese 21-27 Sep 95 p 13*

[Article by Chanh Khai: "Illegal Businesses Operated by Foreigners is Worrisome"]

[FBIS Translated Text] "Surreptitious" and "proxy" investments have existed since the Law on Foreign Investment became effective (in December 1987). At present, illegal businesses have developed in a relatively diverse and sophisticated fashion. They have resorted to tricks such as hiding behind the names of certain private limited companies, and using Vietnamese as company directors. In fact, all these business activities, including the remuneration for workers, are managed by foreigners. In addition, businesses that operate under the cover of state enterprises also exist. These state enterprises receive commissions for allowing their names and services to be used. Many of these businesses also disguise themselves as representative offices. A number of these offices offer themselves as a "shelter" for their foreign businessmen and friends coming here to do their business. Others which are more daring, even operate businesses, hire personnel, and set up branch offices illegally. They would not hesitate to falsify papers and make fake seals.

Such illegal businesses exist in all domains and in various branches and trades. They involve many services ranging from the providing delivery and transport services for domestic and foreign goods to trading in cosmetics, processed food, metals, electric appliances, motorbikes, marine products, and construction materials. They also engage in consultancy services, advertising, and in guiding tours. The property of such a business may run into hundreds of thousands of dollars. Legal action have been taken against many illegal businesses. Examples of this are:

— Mr. Liao Yun Tseng, a Taiwanese, who with a nonimmigrant visa, illegally ran a car dealership from the house of Mr. Vo Duc Ha at 702 Soviet Nghe Tinh road in Binh Thanh. From September 1993 to March 1994, through the Vung Tau Marine Products Services Corporation, he imported from the Hexaland company in Taiwan (of which he is trade representative) 79 cars worth 7,696,438,452 dong. In fact, the Vung Tau Marine Products Services Corporation only allowed the use of its name in return for a commission of $250 per car imported. Ha [an official of the Vung Tau Marine Products Services Corporation] helped in customs clearance. He also stored the imported cars at Storage Depot 12054 VK 102 of the 7th Military Region's Logistics Department. He later put an advertisement in the newspapers to sell these cars at the price decided by Mr. Liao Yun Tseng. Twenty-six cars were reported to have been sold. Those involved in this case was made fined $5,000 and 1,029,541,408 dong.

— Mr. Chuang Kwo Hui, a Taiwanese, who entered Vietnam under the sponsorship of the Nguyen Huy Company Limited owned by Kwoli Ti Jing. The company was located at the house no.16/72 in Lu Gia Housing Estate, 11th Precinct. Chuang Kwo Hui illegally engaged in the trading of imported goods. Nguyen Huy [company] asked the 2d Union of Scientific products Associations and the Ho Chi Minh City Handicraft and Artisan Products Service Corporation to help with the import of interior decoration items such as wallpaper and glue from the Hong Siang Company in Taiwan (of which Chuang Kwo Hui is a trade representative). Nguyen Huy assumed the responsibility of marketing these items in return for commission set by Chuang Kwo Hui. Nguyen Huy already helped sell 4,382,442,000 dong worth of goods. There remained 0.5 billion dong worth of goods in stock when they were discoverd by the authorities. Chuang Kwo Hui was fined $3,000 and 438,244,200 dong and was ordered to stop this illegal business and to resell the goods still in stock to the state. The authorities also recovered 65 million dong in commission from Nguyen Huy and collected over 3.8 billion dong in back taxes.

— Frankie Liew, Alvin Kang, Melvin Sung who are all Singaporean citizens. With the help of Mrs. Bich, they set up the Vinh Dat Company Limited at 344 Hoa Hoa Road in the 10th Precinct. The company's storage depot was located at No. 940 of the 3 February Street in the 11th Precinct. Vinh Dat company bought mono sodium glutamate, mineral water, swivel chairs, toilet fixtures, and interior decoration items from companies in Singapore such as Agropex, Nostech, Scitech, and Viking. These items were imported under the licenses of companies such as the Ocak joint-venture company, the Artexport, Timex, and Vihimex companies, the Chien Thang marine products company, and a constructtion materials company. By engaging in illegal trading from Jan 1993 to April 1995, Vinh Dat company earned a profit of 52,627,111,208 dong and its tax fraud were reported to have amounted to 6,627,674,803 dong. The three Singaporeans transfered their money back to Singapore through the bank accounts at the Eximbank and the Vietcombank of the the companies that allowed them to use their licenses. Those involved in this case were made to pay fines totalling $14,938 and 8,510,751,536 dong.

What did these people get in engaging in illegal businesses? First of all, they could evade paying a huge sum of money as import tax. As the overseas companies involved are their "parent companies", prices listed in their sale invoices were usually 30-50 percent lower than what the goods really cost. On the other hand, thanks to their study of Vietnamese law (the law on imports and exports, and the minimum price list, etc...), they know exactly what kind of goods can fetch high profits once they were imported. Another advantage is that by engaging in illegal businesses in Vietnam, they could evade having their incomes taxed by the countries of which they are citizens because there is no way for these countries to verify their income.

According to the city market control committee, most illegal business activities have been committed by individual foreigners or by small companies not qualified to open representative offices. Although the money involved in these businesses is not big enough, the combined effects have more or less had an impact on our already-complex domestic market. In Ho Chi Minh City alone, there are now nearly 1,000 foreign representative offices. With such a large number, we are now unable to oversee their activities effectively, let alone the activities of those "dare-devil" individual foreigners. The city's A-4 market control team alone has since early this year discovered five cases of illegal business. What about the performance of other teams? (general statistics are not available); and how many cases have escaped the net?

Illegal businesses tend to increase, and they evidently have a considerable impact on our national economy. Violators have usually had to face administrative penalties such as paying fines and back taxes. This is not effective enough as a deterrent. Moreover, stipulations in our law are also not adequate and strict enough. So far, there has been no statutes available for foreign companies to establish representative offices. This is also a problem.

With experience acquired from the practice of the market economy coupled with help from some foreign enterprises, foreign businessmen have learned enough tricks to exploit the loopholes of our law for their illicit gains. Only when a clear-cut law is established, and when rights and obligations are equally respected will all activities on the market be put on the right track.

## Australia

### Forum Wants Details on Free Zone Treaty Signing

*BK2010141595 Melbourne Radio Australia in English 0500 GMT 20 Oct 95*

[FBIS Transcribed Text] The South Pacific Forum [SPF] says it wants full details before commenting on the proposed signing of the regional nuclear free zone treaty by France, Britain, and the United States. A spokesman says the Forum has not been informed officially about their intention. He says before commenting, the Forum would want to know a range of details, including when the nuclear powers would signed the treaty and if they would set any condition. The South Pacific Nuclear Free Zone Treaty bans testing and stockpiling nuclear weapons in the region. The Forum has lobbied strongly to convince the nuclear powers to sign the treaty since its inception in 1985 at Rarotonga in the Cook Islands.

Australia and New Zealand have welcomed the move by the nuclear powers which was confirmed by the French Foreign Ministry. However, the environmental organization, Greenpeace, says it's concerned that Britain and France had timed the announcement to ease international pressure on the two countries. Britain has maintained a silence over the French testing.

### Keating Welcomes Commitment on Nuclear Free Zone

*BK2110092495 Hong Kong AFP in English 0453 GMT 21 Oct 95*

[FBIS Transcribed Text] Canberra, Oct 21 (AFP) — Australian Prime Minister Paul Keating Saturday welcomed France's commitment to signing an agreement aimed at making the South Pacific nuclear free.

France, the United States and Britain announced Friday they would sign the protocols in the South Pacific Nuclear Free Zone Treaty in the first half of 1996.

Paris will sign the treaty, which bans stationing, testing and stockpiling weapons in the region, after its current program of six- to-eight underground nuclear tests.

"In taking this welcome decision, the French government has also underlined the anomaly of its nuclear testing program in the South Pacific," Keating said in a statement.

But Australia would continue to campaign for an end to the French tests, two of which have been already denonated on Mururoa and Fangataufa atolls in French Polynesia.

"France's decision will not lessen our resolve to go on campaigning actively for an immediate end to French testing," he said.

The other two nuclear weapon states, China and Russia have already signed and ratified the South Pacific treaty.

"All five nuclear weapon states have now formally recognised the desire of South Pacific countries to live in a region free of nuclear weapons and nuclear testing," Keating said.

He said Australia took a leading role in the establishment of the treaty "as a means of preserving the peace and security of the region and its environment."

The decisions of the United States, Britain and and France would send a strong message to the international community on non- proliferation and disarmament, Keating said.

It would also help drive negotiations for the completion of a truly Comprehensive Test Ban Treaty in 1996.

### Japanese Delegation Discusses Agriculture Issue

*BK1910091795 Melbourne Radio Australia in English 0500 GMT 19 Oct 95*

[FBIS Transcribed Text] Australia's prime minister, Paul Keating, has told a Japanese Government delegation in Canberra that next month's summit of the Asia-Pacific Economic Forum [APEC] will be decisive. The summit is to be held in the Japanese city of Osaka.

The five-member delegation has been in Canberra to try to resolve an impasse on whether agriculture should be included on the APEC free trade agenda. Mr. Keating made it clear to the group that Australia regards last year's Bogor Declaration on free trade as unalterable, including agriculture.

Australia's trade minister, Bob McMullan, who also met the group, says he is now certain Japan will make some concessions on agriculture.

[Begin McMullan recording] I do not think they are trying to suggest to us that there should be no liberalization of agriculture. They are trying to convince us we should allow them to proceed more slowly. But there is some progress because previously our concern was they might have wanted to exclude it altogether. But it looks, though, we have got some guarantee of some progress. But I have to say we gave them no encouragement that they should expect us to settle for anything less than a comprehensive implementation of the Bogor Agreement. [end recording]

## New Zealand

### Bolger Denies Deal With Major on Nuclear Issue

*BK2010093195 Hong Kong AFP in English 0848 GMT 19 Oct 95*

[FBIS Transcribed Text] Wellington, Oct 19 (AFP) — Prime Minister Jim Bolger Thursday denied a deal was being struck to ease pressure on British Prime Minister John Major at next month's Commonwealth Heads of Government Meeting (CHOGM) over Britain's silence on French nuclear testing.

Quoting unnamed sources the Sydney Morning Herald Thursday reported New Zealand was trying to weaken condemnation of France at next month's CHOGM in return for British backing of its South Pacific Commission (SPC) candidate.

In a front-page story the paper claimed New Zealand had given Britain "a nod and a wink" that it would try to avoid any powerful condemnation of the nuclear testing programme being included in the official CHOGM communique.

Such condemnation would seriously embarrass the British, the paper said.

It claimed New Zealand and Britain were suspected by officials "at the highest levels of the Australian government and across the Pacific" to have entered a secret deal to save face for Major.

But Bolger said through a spokesman the story was "simply not true or accurate. The issue of nuclear testing will be on the CHOGM agenda and I believe it will be debated with vigour."

In Wellington, Acting British High Commissioner Andrew Heath said no such deal had been sought.

In Canberra, New Zealand's High Commissioner Graham Fortune and Australia's Pacific Islands Affairs Minister Gordon Bilney also rejected the Herald report.

Fortune said the newspaper had taken two completely separate issues, that of the CHOGM communique and the election next week of the secretary-general of the SPC and made a link where none existed.

The SPC was set up in 1947 to operate multilateral aid programmes in agriculture, fisheries, environment, health, education and socio-economic statistical services.

Its members include most Pacific island states as well as Britain and the United States. Britain has said it will withdraw from the grouping next year.

It is understood New Zealand would like to see the debate at CHOGM focus on the goal of getting the nuclear powers to sign up to a comprehensive test ban treaty (CTBT) and the South Pacific Nuclear Free Zone Treaty.

Britain, France and the United States have already said they will sign a test ban treaty and a US official said all three countries planned to join the South Pacific nuclear-free zone after France completed its current round of tests.

Foreign Affairs Minister Don McKinnon said New Zealand applauded the move.

### McKinnon Welcomes Nuclear Free Zone Announcement

*BK2110093595 Hong Kong AFP in English 0351 GMT 21 Oct 95*

[FBIS Transcribed Text] Wellington Oct 21 (AFP) — New Zealand on Saturday welcomed the announcement by France, Britain and the United States that they would sign the South Pacific Nuclear Free Zone Treaty.

"This is excellent news," Acting Prime Minister Don McKinnon said in a statement Saturday.

"Persuading France to sign the protocols to the treaty has been one of the long term goals of the government's protest action.

"This announcement shows the nuclear weapon states are aware of the strength of the region's feelings," he added.

McKinnon, acting premier while Prime Minister Jim Bolger is in New York attending a UN meeting, also said:

"For 10 years now we have been urging these three countries to sign the protocols. Of course, our first preference is still that this decision could come into effect tomorrow and that testing would end immediately. "However, this is a welcome step forward."

McKinnon said the support of the nuclear weapons states for a nuclear free zone was essential if the zone was to be effective.

"Russia and China ratified the relevant protocols some time ago. When France, the United States and the UK take the same step, no more testing in our region is guaranteed."

The treaty establishing the zone, also known as the Treaty of Rarotonga, was established on August 6, 1985.

At that time, 12 South Pacific nations undertook not to possess, manufacture, acquire or test nuclear weapons and to prevent the stationing of nuclear weapons in their territory. The treaty also bans the dumping of radioactive waste at sea.

There are three protocols to the treaty which can only be signed by the nuclear weapons states.

They contain undertakings not to use, or threaten to use, nuclear weapons against members of the zone, not to test in the zone, and not to manufacture or station nuclear weapons in territories within the zone.

The protocols come after France detonated the second of up to eight planned underground nuclear blasts on its Pacific atolls of Mururoa and Fangataufa in French Polynesia, triggering worldwide outrage.

### Dispute With France Concerns Tests Only

*LD2310095495 Wellington Radio New Zealand International in English 0900 GMT 23 Oct 95*

[FBIS Transcribed Text] France and New Zealand have got together at the UN's 50th anniversary [session] in New York. [Prime Minister] Jim Bolger and [French President] Jacques Chirac disagree over nuclear testing but, as Julie Lessing reports, the argument hasn't soured relations the way the Rainbow Warrior bombing did 10 years ago.

[Lessing] The prime minister said he intended to be blunt in his UN speech when he criticized France and China for still testing, but the dispute with Paris is contained and deliberate.

[Begin Bolger recording] I have rejected any suggestion that we should break off diplomatic relations or we should engage in any form of trade war. To my mind, that was not constructive. We wanted sensible dialogue with France. We do have a strong, profound disagreement with one area, but in other areas we should work sensibly. [end recording]

[Lessing] Jim Bolger believes France will shorten its test series, perhaps to three or four more detonations.

Julie Lessing, United Nations, Radio New Zealand news.